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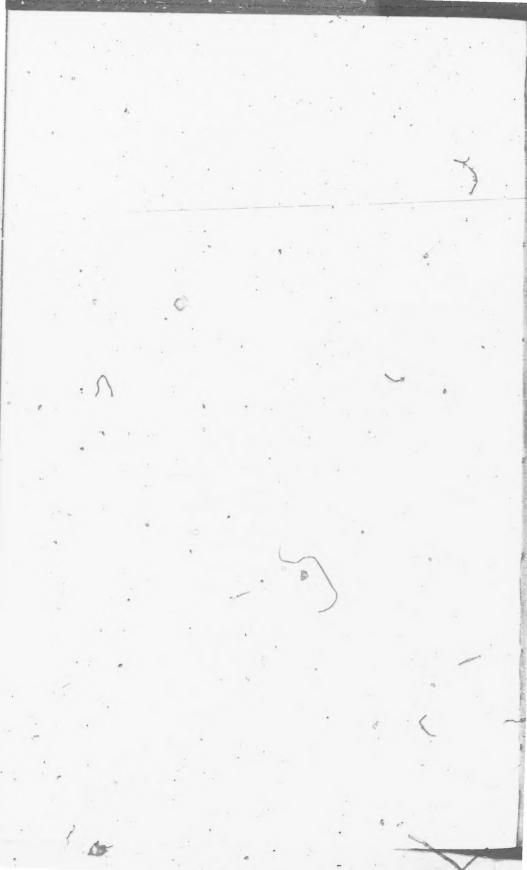
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# Supreme Court of the United States

OCTOBER TERM, 1938.

Nos. 2 and 56.

Kelloge Company,
Petitioner,

AGAINST

NATIONAL BISCUIT COMPANY, Respondent.

## BRIEF FOR RESPONDENT

### Abstract of the Proceedings

This case comes to this Court upon writs of certiorari to the Circuit Court of Appeals for the Third Circuit to review the action of that Court in reversing a judgment of the District Court for the District of Delaware which dismissed the plaintiff's bill of complaint; and also to review the further action of the Circuit Court of Appeals in clarifying its mandate to the District Court.

The action was commenced in June 1932 by the filing of a bill of complaint alleging unfair competition by the defendant. The District Court dismissed the bill on January 23rd, 1935 (R. vol. I, 'p. 228) with a written opinion not officially reported but found in the Record, page 193

On appeal by the plaintiff the Circuit Court of Appeals first affirmed the District Court with a per curiam opinion on January 16th, 1936. This opinion is not reported but is printed in the Record, volume III-a at page 2069.

A rehearing was granted and the case reargued at the October Term, 1936. On April 12th, 1937 the Circuit Court of Appeals made an order recalling its first opinion and reversing the judgment of the District Court and directing an injunction to issue (R. vol., III-a, p. 2094). The Court's opinion on reargument is reported 91 F. (2d) 150 and is also found in the Record, volume III-a, page 2083. A petition by the defendant for a writ of certiorari was denied by this Court on October 25th, 1937 (302 U. S. 733) and a reconsideration of said petition was denied on November 8th, 1937 (302 U. S. 777).

A motion by the defendant to stay the writ of injunction was denied by this Court December 6th, 1937 (302 U. S. 654).

The mandate of the Circuit Court of Appeals issued to the District Court on December 8th, 1937, and the District Court entered its interlocutory decree in the exact words of the mandate on January 5th, 1938 (R. vol. III-a, p. 2252), and a writ of injunction pursuant thereto was issued on January 7th, 1938 (ibid 2254).

On March 4th, 1938 the plaintiff petitioned the Circuit Court of Appeals to recall its mandate for the purpose of clarification \*\*ibid 2248\*), which motion was granted, and the Circuit Court of Appeals on May 5th, 1938 entered an order recalling and clarifying its mandate (ibid 2285), accompanied by a written opinion (ibid 2282) reported in 96 F. (2d) 873.\*

No point is made in petitioner's brief concerning the propriety of the action of the Circuit Court of Appeals in clarifying its mandate, and we assume that the second writ of certiorari was granted out of abundance of caution in order to have the entire record before the court. The application for clarification was made necessary by the petitioner's claiming in the District Court a construction of the mandate which entirely emasculated the injunction ordered by the Court of Appeals. (See post, p. 17).

The defendant thereafter petitioned this Court for a stay pending a further application for certiorari which was granted by this Court May 23rd, 1938 (303 U.S.

); and on May 31st, 1938 this Court granted the defendant's application for reconsideration of its first application for certiorari, granted the application for the writ of certiorari, and granted a second application for a writ of certiorari to review the action of the Circuit Court of Appeals of May 5th, 1938 (303 U.S. ).

#### Statement of the Case

This is an action for injunction against unfair competition. It is brought by the makers of the famous breakfast food "Shredded Wheat" to protect the good will which has attached to the article and to its name over a period of more than forty years, against the inroads of a competitor who is engaged in a systematic effort to appropriate the good will of the respondent.

The Circuit Court of Appeals found that the intention of the defendant, manifested by its conduct, is "to deceive the public and secure the trade which in equity and good conscience belonged to the plaintiff" (R. vol. III-a, 2092). This finding, as we shall demonstrate, is amply supported by the evidence.

The petitioner asserts that it may use the name and shape of the respondent's product because of the expiration of certain patents. It alleges that respondent seeks a "monopoly". But the fact is that the respondent has no "monopoly", and claims none (see post, p. 36).

"Shredded Wheat" is a whole wheat biscuit which has come to be known throughout the civilized world for its purity and cleanliness. What gives value to the trade name "Shredded Wheat" is the fact that throughout all the years the product has been made uniformly from specially selected wheat by a process carefully worked out and rigidly adhered to in order to prevent deviation

in quality. Thus a product which was once a laughing stock and the subject of quips and jokes (R. vol. III, p. 1658) has, by its sheer excellence and the uniform care always used in its preparation, become one of the standard articles of food in the United States and other parts of the world. The record shows that the product today is found in the homes of many millions of families in the United States. "Shredded Wheat" is a homely product, unattractive in its appearance, and its general acceptance by the public is due solely to its intrinsic merit—to the fact that the public has learned that it is a good food.

The process of treating wheat as employed in the production of "Shredded Wheat" was once the subject of United States patents, as was the machinery for making it. Those patents expired many years ago. During the decades that followed, the respondent spent many millions of dollars in building up a good will for its product and in teaching the public to be familiar with the trade name that denoted it. To claim now that it should have no equitable protection for that good will is to ignore entirely the basis in equity upon which this suit is founded and upon which protection is afforded to manufacturers and to merchants against the inroads of competitors who seek to reap where they have not sown. That this is true of the petitioner in this case is amply demonstrated by its conduct as disclosed in this record.

The public has a real interest in this matter. If petitioner is free to use the trade name "Shredded Wheat", then every other manufacturer may do the same. Nothing in this record would warrant us in asserting that the petitioner's product is inferior in quality, but it is self-evident that there would be many manufacturers who would not use the highest quality of white winter wheat, at extra cost, as does the respondent, and who would not use the same expensive precautions to assure purity and cleanliness of their product. The whole success of "Shredded Wheat" has been due to this scrupulous care in its manufacture.

The actual issue in this case is not, as contended for by petitioner, whether respondent is seeking a perpetual "monopoly" in a patent-expired product or whether the expression "Shredded Wheat" is descriptive and open to appropriation by anyone; but, as pointed out at the outset of this brief, the real question and the only one is whether the petitioner by its inequitable and fraudulent conduct has been guilty of "misappropriation of what equitably belongs to a competitor". Schechter Poultry Corporation vs. United States, 295 U. S. 495, at page 532. It is not the respondent alone who is entitled to protection in such a case, but the consuming public as well, which has learned through many years of constant excellence in service to expect a certain product when called for by a certain name. The respondent is entitled to continue to render to the public the service which the public has learned to expect.

Keeping in mind this simple question, we proceed to point out what the evidence in this case discloses.

#### 1. The History of Shredded Wheat.

"Shredded Wheat" was first produced in 1893 by Henry D. Perky (R. vol. I, p. 195). It was put forth as a new method of making bread out of whole wheat. In the specifications for the patent granted to him on October 15th, 1895 (R. vol. IV, p. 207) the object of the invention is described as follows:

"An object of the invention is the production of an article of food or bread, consisting of externallyrough porous threads or filaments of wheat or similar grain, having the outer nutrition bran and gluten of the entire berry visibly mingled with the interior starchy portion thereof and adapted by their composition of entire grain-berries and their rough and porous thread-like or shred-like form to constitute, without other shortening or aeration, bread of especially light and wholesome character. "A further object of the favention consists in the novel art or method of preparing the grain or berry and reducing it to form without taking from the grain any of the beneficial qualities provided by nature and presenting the same in convenient form for service as a superior article of food without the aid of experts or skilled labor now required to produce palatable bread."

The practice adopted by the inventor to attain his object consisted in first cleaning the wheat in berry form and then boiling it until cooked without destroying its form. The wheat was then allowed to dry for some hours during which it was agitated or stirred until enough of the moisture was thrown off to give consistency to the substance of the berrics. They were then passed between steel rolls at high pressure, one of which had a plane surface and the other a grooved surface. The result was a complete crushing and intermingling of the various component parts of the wheat berry and their extrusion from the rolls in long filaments or threads of wheat. Perky's patent stated that "the food as discharged from the rolls is ready for use without further cooking, or it can be shaped for baking in various ways" (R. vol. IV, p. 207).

In practice Perky and his successors, including the respondent, as well as various competitors of the respondent, have all used a series of rolls which deposit the filaments upon a moving belt (of in some cases upon a revolving spindle). Up to this point in the process everyone has been, since the expiration of the patents, and is today free to use Perky's methods. The respondent asserts no right to any protection against such use.

It is important to note that the process just referred to does not produce "Shredded Wheat" biscuit.

After a sufficient number of filaments have been collected upon the moving belt, or spindle, various manufacturers of the product cut the mass into different shapes prepara-

<sup>\*</sup> See for example the illustration, R. vol. IV, p. 87.

tory to the final process of baking. Perky and his successors, including the respondent, have always used the familiar pillow form of the biscuit. Other competitors, such as The Quaker Oats Company and The Loose-Wiles Biscuit Company, have adopted other forms readily distinguishable from the respondent's pillow shape, as will be more fully shown hereafter. In all cases the custom has been to take the biscuit thus formed and to bake it until most of its moisture is expelled, after which by a further drying process the biscuit is rendered practically bone-dry and is ready for the market.

Perky began the sale of "Shredded Wheat" in Denver about 1893. The industry had an humble beginning and as the product became known it was the butt of ridicule wherever introduced (R. vol. III, p. 1658). Nevertheless by 1901 sufficient capital had been raised to erect a plant at Niagara Falls, which is still in use. The growth of the business is graphically shown in respondent's Exhibit 150 (R. vol. IV, p. 51) where appear the sales year by year. Voluminous exhibits, showing the annual expenditures, classified as to the nature of the advertising, will be found in the record, vol. IV, pp. 11 to 52; and the deposition of Truman A. DeWeese (R. vol. I, pp. 558 et seq.) portrave graphically the advertising methods used. To the time of bringing this suit more than thirty-five million dollars was thus expended and the sales increased from 37,172 cases in 1896 to a peak of 2,521,751 cases in 1928.\* By the year 1922 over 45,000,000 cases had been sold, containing in all nearly twenty billion biscuits.

This astonishing growth was due not alone to the large amount of money spent in advertising, but to the great care and skill exercised by the respondent and its predecessors in the selection of materials and the painstaking attention to processing. Only Number One white winter wheat is used. It is all carefully graded and inspected by a United States Inspector. The respondent maintains a

<sup>\*</sup> Each case contains 36 cartons, each carton 12 biscuits.

wheat research bureau and has financed State agricultural colleges in the development of the highest type of white wheat for the purpose of use in this product (R. vol. I, 259-260).

The company which began operations in 1901 was a New York corporation known as "Natural Food Company". In 1908 its name was changed to "The Shredded Wheat Company", and it continued to operate as such until the year 1930 when the properties and good will of the business were sold to the present respondent, National Biscuit Company. \*\* The product has been called by the manufacturer "Shredded Whole Wheat Biscuit", "Shredded Wheat Biscuit" and "Shredded Wheat", but the last name is the one which has been accepted by the public. Millions of Americans use it at their breakfast tables. It is safe to say that there is not a restaurant, café or dining car in the United States in which a call for "Shredded Wheat" will not quickly produce respondent's biscuit-except insofar as petitioner by its conduct about to be narrated, has succeeded in raiding the good will of the respondent by adopting the name and form for an imitation biscuit.

#### 2. The Conduct of Various Competitors.

Perky's patent to which we have referred expired in 1912 and all of the patents covering the machinery and various other forms for shaping the product expired soon after. Since that time there have been at least four competing manufacturers who have undertaken to market whole wheat processed according to the disclosure of the patent; namely, the Ross Biscuit Company in 1915, the

<sup>\*</sup>Immediately following the reference just given will be found a detailed description of the process employed and the great care used to produce a product of uniform excellence.

<sup>\*\*</sup> The use of the words "petitioner" and "respondent" herein will be understood, unless otherwise stated, to include the respective predecessors of the parties.

Quaker Oats Company since 1923, the petitioner Kellogg Company for a short period in 1922 and again since 1927, and the Loose-Wiles Biscuit Company since 1932.

The Ross Biscuit Company, organized by three former employees of The Shredded Wheat Company, in 1915 started marketing a product in exact facsimile of respondent's "Shredded Wheat" biscuit under the name "Ross's Whole Wheat Biscuit". Suit was brought against a distributor of this product in the District Court for Connecticut and an injunction was issued against sales of the biscuit in the form and shape of respondent's biscuit. Judge Thomas held that the appearance of the biscuit had then acquired secondary significance distinctive of the plaintiff's manufacture (244 Fed. 508). This judgment was affirmed with modification by the Circuit Court of Appeals for the Second Circuit (250 Fed. 960). It should be noted that Ross did not appropriate the name "Shredded Wheat" but only the shape of the biscuit. A photograph of Ross' carton will be found at page 124 of this brief.

The Quaker Oats Company makes use of the process disclosed by Perky in his patent but has found it unnecessary to appropriate either the name "Shredded Wheat" or the shape of the biscuit. It makes a round biscuit and calls it "Muffets". It is manufactured and sold in substantial volume in competition with "Shredded Wheat". A photograph of the "Muffets" carton will be found

at page 125 of this brief.

The Loose-Wiles Biscuit Company manufactures a biscuit according to the disclosure of the patent, but in a shape totally different from that of the respondent's. It calls its product "Rippled Wheat", and sells it in competition with "Shredded Wheat". A photograph of the "Rippled Wheat" carton will be found at page 126 of this brief.

The statement on page 21 of petitioner's brief that "neither Muffets nor Rippled Wheat is a shredded wheat

product" is incorrect. The contrary is established by the testimony of Doctor Oakes (R. vol. I, pp. 285-287) and by a reading of the patents themselves. The specifications of the patents show that the rolls by which the threads of the processed wheat are extruded, are pressed together under several thousand pounds of pressure. The amount of pressure is determined by the adjustment of set screws provided for that purpose. The pressure is so great that no particle of a wheat berry escapes being pressed into one of the grooves and thus becoming a string. If, however, the pressure of the set screws is relaxed so that the rolls are not in such heavy contact, the product coming from the rolls is more like a ribbon or lace, as specified in the very first patent covering the machine comprising the rolls (R. vol. V, p. 3) in which the inventor says, referring to the rolls:

"The grain \* \* is fed in any convenient manner between the rolls B and B' at O by which it is compressed into the grooves on roll B from which the product in the form of threads, lace, or ribbons, or sheets, etc., (the form of which depending on the contact or proximity of rolls B and B') is removed by scraper D."

#### 3. The Conduct of the Petitioner.

About the time the Perky patent expired in 1912, the petitioner began the manufacture of a whole wheat biscuit which it called "Kellogg's Toasted Wheat Biscuit". A photograph of its carton will be found at page 118 of this brief. Although the petitioner continued the manufacture of this biscuit for years it was unable to make much headway against "Shredded Wheat" and in 1919 gave up its manufacture entirely. Meanwhile respondent's business had grown greatly. Its product was increasingly welcomed by the public. From 889,000 cases in 1912, its sales had increased to 2,035,000 cases in 1922. The petitioner prides itself on being "the largest manufacturer of cereals in the country"

and it must have regarded this growing competitor with apprehension, as also it longed to share in the trade which respondent had built up. Thereupon, in striking contrast to its own earlier conduct and to the conduct of the other competitors, the petitioner in 1922 started what now appears to have been a studied and deliberate raid on the good will of The Shredded Wheat Company. In January 1922 it began to market a biscuit in a form almost exactly imitative of the familiar pillow-shape of respondent's biscuit, except only that it is slightly shorter. It named this biscuit "Kellogg's Shredded Whole Wheat Biscuit". In large red letters it stated on the carton "The Original has this Signature 'W. K. Kellogg'' (see photograph at page 119 of this brief). It was notified by The Shredded Wheat Company to desist, and in October 1922 petitioner ceased manufacturing the imitation biscuit (R. vol. I. p. 67).

For five years the petitioner waited, without further effort to compete with "Shredded Wheat". Meanwhile respondent increased its advertising efforts, expending in those years more than \$8,800,000, and its business grew to 2,477,000 cases in 1927. In that year petitioner resumed the manufacture of the imitative biscuit under the same name, and declined to recognize any rights in the respondent to protection from this unfair competition. A suit was thereupon brought by The Shredded Wheat Company in the District of Connecticut in 1928 and testimony was taken by way of deposition. Faced with this suit, the petitioner in 1930 abandoned its use of

<sup>\*</sup>How much shorter is the subject of rather wild guesses by the District Court, by the petitioner and by the British Court of Appeals. The District Court says at R. vol. I, p. 203 that petitioner's biscuit is "less than two-thirds" the size of respondent's; the petitioner's brief (page 26) now repeats this statement, and the British Court says (petitioner's brief, page 129) it was "some 25 per cent shorter". As a matter of fact, it is just 17 per cent shorter. In width and thickness it is the same.

the words "Shredded Wheat" and began the use of the name "Kellogg's Whole Wheat Biscuit", a name to which the respondent had and can have no objection. In view of this the Connecticut suit was discontinued without prejudice (Ex. 251, R. vol. IV, p. 127).

No sooner, however, had petitioner given up the use of respondent's trade name than the petitioner put on the face of its package an imitation of respondent's registered trade mark, consisting of two biscuit in a bowl of milk (R. vol. IV, p. 205). Reproductions of this carton will be found in the opinion of the District Court (R. vol. I, p. 215); in the interrogatories (R. vol. I, pp. 138-154, 155); and in this brief (infra, p. 122). Not content with this misrepresentation, it placed upon the ends of the same carton the words "A Shredded Wheat Product" and "Shredded Wheat in its Most Delicious Form" (R. vol. I, p. 219).

Almost simultaneously the petitioner adopted a carton for its biscuit which contained a cellophane window so placed as to display to the purchaser the ends of the biscuit (identical in width and thickness with respondent's), thus completing the deceptive simulation of the respondent's biscuit. A photograph of this carton appears at page 123 of this brief.

On many thousands of packages it placed in a prominent position the expression "The Original has this Signature W. K. Kellogg", thus representing, as the Circuit Court of Appeals found, that its product was the original, and by implication that the respondent's was an imitation. (One of these cartons is pictured at R. vol. IV, p. 1).

The petitioner asserts that although it has copied respondent's trade name and the shape of respondent's biscuit and although it has used the other devices above described, there has in fact been no deception of the public, that there has been and can be no confusion between the products and that there is a complete absence of any passing off or of the likelihood thereof. The evidence to the contrary is overwhelming. As we shall show more

fully hereafter (page 24 et seq.), and as the Court will readily see by a mere glance at the testimony of numerous witnesses for both parties appearing in Appendices B (p. 72, infra) and D (p. 93, infra), confusion and passing off are not only possible, but have been abundantly proven.

In 1932 it began its third invasion of respondent's good will. Completely ignoring the assurance of fairness implicit in its abandonment of the use of respondent's trade name in 1930, petitioner, in the early part of 1932, launched an advertising campaign in which it flooded the country with announcements of an imitation biscuit which in bold type it called "Shredded Biscuit" and "Shredded Wheat Biscuit" (See Interrogatories No. 82 and No. 83 and the related Exhibits, R. vol. I, pp. 92-101, 111 et seq.).

The present action was thereupon brought in the District

Court of Delaware in June of 1932.

### The Decisions Appealed From

#### 1. The Decision on Rehearing.

In its first opinion, delivered per curiam in January 1936, the Circuit Court of Appeals affirmed the District Court's holding that the name "Shredded Wheat" was descriptive and that upon the expiration of the process patent No. 548,086 the name passed into the public domain and remained there and became public property.

A rehearing was asked for on the ground that the decision of the Court was not in harmony with the modern doctrine of unfair competition as defined by this Court in Schechter Poultry Corp. vs. United States, 295 U. S. 495, at p. 532 (see infra, p. 33). This decision had not been called to the Court's attention at the first hearing. The rehearing was granted.

Upon rehearing, the Court reconsidered its earlier opinion, and held that although the petitioner might have been free to use the name "Shredded Wheat" and the form of the biscuit under proper restrictions, had it done so

within a reasonable time after the expiration of the Perky patents, it was no longer free to do so after the respondent and other competitors had stood by for fifteen years, and allowed the petitioner "at great expense to make 'Shredded Wheat' a household word and the form of its biscuit known throughout the world as its own product" (R. vol. III-a, p. 2087).

The Circuit Court of Appeals found that during that fifteen year period respondent and its predecessors spent more than \$17,000,000 in advertising and built up a large business and a very valuable good-will. It also found that:

"It is undisputed that at the time defendant adopted the name 'Shredded Wheat', and the trade mark of the plaintiff to designate its product, the trade and consumers generally had come to regard the name and trade mark as identifying plaintiff's biscuit" (R. vol. III-a, p. 2086; 91 F. (2d) 150, 152).\*\*

The Circuit Court of Appeals' then proceeded to find that the term "Shredded Wheat" was not purely descriptive of the respondent's product; and after reviewing the nature of the process by which the wheat is spun into long filaments, it held that the name is at most only suggestive and, therefore, capable of constituting a valid trade mark under the authorities cited by the Court (see R. vol. III-a, pp. 2086 et seq.; 91 F. (2d) at p. 153).

The Court then called attention to the fact that other competitors, including the petitioner, sold the product

<sup>\*</sup>Petitioner did use the name "Shredded Wheat" for a very short period some ten years after the Perky patents had expired, but abandoned this use at the demand of the respondent. (See this brief, p. 11, supra.) In 1915 the Ross Company imitated the form of respondent's biscuit, but did not use the name. It was enjoined (see supra, p. 9).

<sup>\*\*</sup> The trade mark referred to is the so-called dish trade mark showing two biscuits, which was imitated by the petitioner at the time it elected to call its product "Kellogg's Whole Wheat Biscuit" (R. vol. IV, p. 205).

manufactured pursuant to the process patent under distinctive names. It then said:

"But this did not enable the defendant to get the property which the plaintiff had built up in the name of Shredded Wheat', and so it abandoned its effort to sell its product as 'Kellogg's Whole Wheat Biscuit'" (R. vol. III-a, pp. 2087-2088).

"The adoption by anyone of the name and form of an article under which a competitor has been selling it carries with it the presumption that he expects to derive benefit from this adoption and intends to mislead the public with probability of success" (ibid, p. 2088).

The Court then recognized the most important feature of this case, namely, that it is a case of unfair competition in which the petitioner is charged with intentional fraudulent conduct and not a mere case of patent or trade mark infringement, to be dealt with upon rigid technical considerations.

Then, referring to the case of Barton vs. Rex-Oil Co., 29 F. (2d) 474 (C. C. A. 3, 1928), in which the same Court, speaking through Judge Woolley, had dealt with the word "Dyanshine", the Court said:

"We held that the defendant was guilty of unfair competition and enjoined it 'from using the words "dye and shine" in any way, form, arrangement, or manner of spelling as the name, or as resembling a name, of its product, leaving it free, of course, to use these words merely and exclusively in describing the qualities and characteristics of the product.' This the defendant in the case at bar is free to do, but may not, as it has been doing, use the words 'Shredded Wheat' as a trade-name of its product' (ibid., pp. 2089-2090)."

The italicized portion of the above quotation is a complete answer to the claim of the petitioner in this case

<sup>\*</sup> Unless otherwise stated, all italics in this brief are supplied by us.

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that it is forbidden from describing its product. The petitioner does not wish to use the words as part of the description of its product, but boldly as a trade mark.

Dealing with the form and shape of "Shredded Wheat" biscuit, which the petitioner also appropriated, the Court applied the same rule as it had with respect to the name, holding that a former design patent, held invalid in 1908, would not permit the petitioner to appropriate the form and appearance of the biscuit which had characterized it for forty years, saying:

"The case stands as it would have stood if there had been no patent and the plaintiff had started with a new and unpatented product in 1912, calling it by the trade-name of 'Shredded Wheat' which it had sold in a particular form and for fifteen years had spent \$17,000,000 in advertising it and had built up an invaluable good-will in the name which it had exclusively used" (ibid., p. 2092).

One more act of unfair competition is cited in the Court's opinion, namely, the placing by the petitioner on many of its packages the words "The Original has this Signature W. K. Kellogg". This the Court found was an intentional misrepresentation that the *petitioner's* was the original product and respondent's an imitation. The Court said:

"There could have been but one object for doing this, and that was, by unfair competition and untruthful statements, to deceive the public and secure the trade which in equity and good conscience belonged to the plaintiff. This equity will prevent by injunction" (ibid., p. 2092).

The closing paragraph of the Court's opinion is as follows:

"In view of the fact that 'Shredded Wheat' is the plaintiff's trade-name, that defendant deliberately started out to acquire by unfair competition and misstatements the trade which equitably belonged to the plaintiff, and that it is practically impossible for

the defendant to use the name and form of plaintiff's biscuit to designate its product without confusion, deception of the public, and unfair competition with the plaintiff, a decree will be entered vacating our former decree and reversing the decree of the District Court with directions to the court to enter a decree enjoining the defendant from the use of the name 'Shredded Wheat' as its trade-name and from advertising or offering for sale its product in the form and shape of plaintiff's biscuit in violation of its trademark; and with further directions to order an accounting for damages and profits' (ibid., 2093).

#### 2. The Opinion Clarifying the Mandate.

The italicized portion of the above quotation was contained in the mandate of the Circuit Court of Appeals to the District Court and was retained by the District Court in its interlocutory decree and in the writ of injunction, without the addition of any other than formal words.

In its petition for rehearing and in all of its applications to this Court during the October 1937 Term, the petitioner insisted that the injunction directed by the Circuit Court of Appeals, and issued by the District Court, forbade it from using the term "Shredded Wheat" as its trade name, from making the biscuit in the form and shape of respondent's, or from using the dish trade mark. After the mandate had come down, petitioner for the first time adopted the view that the decree was conjunctive and forbade it only from doing the three things concurrently; and that it might continue to make the biscuit in the same form as the respondent's biscuit and even to call it "Shredded Wheat", provided it did not use the dish trade mark. The District Court appearing to have some doubt on this point, the respondent found it necessary to ask the Circuit Court of Appeals to recall and chrify its mandate in order to remove all doubt (R. vol. III-a, p. 2248). This application was presented at length the Circuit Court of Appeals and resulted in the

opinion of May 5th, 1938 (R. vol. III-a, p. 2282; 96 F. (2d) 873) in which the circumstances are fully recited. The Court said:

"We thought that, when our opinion was read as a whole, we had made it perfectly clear that what we intended to enjoin was the use of the name 'Shredded Wheat' as a trade-name and the advertising and selling of biscuits in the pillow-shape form, irrespective of whether the two-biscuit-in-a-dish trade-mark were employed in connection with either the use of the name or the sale or advertising of the biscuit in the pillowshape form. This was the construction which the appellee placed on the opinion and order of April 12, 1937. in its petition for rehearing to this court and appellant says that it placed the same construction upon them in its various petitions to the Supreme Court. It so admitted before this court at the hearing to recall the mandate. Appellee in those petitions doubtless placed upon the mandate what it believed to be its proper construction and its changed view adopted after the mandate of this court had issued was apparently due to the exigencies of its position rather than to any real belief that the opinion of this court left any doubt as to what was meant. The language at the end of the opinion and in the order and mandate is poorly phrased. We intended to enjoin the use of the words 'Shredded Wheat' as a trade-name, the advertising and sale of biscuits in the pillow-shape form, and the use of the two-biscuit-in-a-dish trade-mark, separately or together."

#### Counter-Statement of Question Involved

Is petitioner's whole course of conduct in competition with respondent so unconscionable and unfair as to warrant a court of equity in granting the relief that the court below gave?

#### ARGUMENT

I

### The Petitioner's Competition is Unfair and Calls for Equitable Relief

The behavior of the petitioner, of the respondent and of the other competitors in the industry since the expiration of the patents in 1912, must be considered as a whole if a true picture of the competitive situation is to be obtained. To treat the case piecemeal, as the petitioner has done in its brief, is to obscure the whole history of the matter and to prevent the Court from understanding the vivid contrast, between the unconscionable and unfair behavior of the petitioner and the wholly fair behavior of the other competitors in this industry, who likewise have used the expired Perky patents to make competing whole wheat biscuits.

Let us take then the situation that obtained in 1912, when Perky's machinery and process became open to use by all the world. This respondent has never at any time since then claimed any right to exercise a "monopoly" in the manufacture or sale of these whole wheat biscuits. It asserts no right except that enjoyed by every member of the public, to wit: to be protected against unfair competition. There has been practically constant competition in the manufacture of such whole wheat biscuits since 1912 and of this respondent makes no complaint except in the isolated case of the petitioner's efforts to compete unfairly.

Beginning in 1912 the petitioner began to manufacture and sell a product which it called "Kellogg's Toasted Wheat Biscuit" (R. vol. II, p. 1046 et seq.). The process of manufacture differed from Perky's process only in that the wheat was reduced to a dough and flavored before being passed through the Perky rolls (R. vol. II, pp. 1046, 1048).

The product was forced out from the rolls in thread-like form, collected upon a moving belt and cut into biscuit form in the manner that had been used by Perky, and it was baked and dried in the manner that Perky had followed. The result was a biscuit which entered directly into competition with "Shredded Wheat". The carton in which it was sold and which contains a picture of this biscuit appears hereafter at page 118 of this brief.

Of this competition, in which the petitioner used a different name and a distinguishing form of biscuit, this respondent could reasonably have made no complaint and

in fact did make no complaint.

Seven years of competition between these products then ensued. The respondent's "Shredded Wheat" continued to grow in popularity, thanks first to the unvaried maintenance of its quality, purity and cleanliness and thanks second to the diligence with which it was advertised by the respondent. During these seven years respondent spent in advertising "Shredded Wheat" upwards of \$5,000,000 (R. vol. IV, p. 51). Its sales of "Shredded Wheat" increased from 889,623 cases in 1912 to 1,790,830 cases in 1919. In 1919 the petitioner voluntarily abandoned its production of "Kellogg's Toasted Wheat Biscuits" (R. vol. II, p. 1048).

Meanwhile in 1915 another competitor had appeared. One Ross, a former employee of The Shredded Wheat Company, commenced to make "Ross's Whole Wheat Biscuit". While Ross apparently did not dare to imitate the respondent's trade name for the biscuit, he nevertheless made a biscuit which was in form an exact imitation of "Shredded Wheat". A photograph of his carton appears hereafter at page 124 of this brief and in this photograph the biscuit itself is shown. Immediately suit was brought against Ross and his Connecticut distributor by The Shredded Wheat Company and he was enjoined by the District Court of Connecticut from making a biscuit of

<sup>\*</sup> Each case contains 36 cartons—each carton 12 biscuits.

the same shape as "Shredded Wheat" unless each biscuit be banded or otherwise distinguished from respondent's "Shredded Wheat". Swedded Wheat Co. vs. Humphrey-Cornell Co., 244 Fed. 508 (D. Conn., 1917). In this matter the District Court found that both the name "Shredded Wheat" and the form of the biscuit had acquired secondary significance. After appeal had been taken to the Circuit Court of Appeals, and the order of the District Court, had been modified and affirmed, 250 Fed. 960 (C. C. A. 2, 1918), the District Court entered its order on the mandate (R. vol. IV, p. 57). In that order is embodied the finding (ibid, p. 59), "That the said form, shape, size and color of the said biscuit have come through long and exclusive use and advertisement, to have the meaning and significance only of the product and biscuit of the complainant". The only respect in which the Circuit Court of Appeals modified the injunction originally issued by the District Court was to require banding or distinguishing marks only upon those biscuits which reached the ultimate consumer outside the cartons. Shortly after this decision Ross' company came into financial difficulties and abandoned its effort to compete in this product.

From 1919 until January 1922 the Kellogg Company made no effort to re-enter the field. Meanwhile during 1920 and 1921 the respondent continued its extensive advertising. In those two years it expended upwards of \$1,500,000 in advertising and its sales rose from 1,790,830 cases in 1919 to 1,949,310 in 1921. In January 1922 the Kellogg Company resumed unrestrained competition and announced the forthcoming production of "Kellogg's Shredded Whole Wheat Biscuit"-a biscuit of the identical pillow shape form of "Shredded Wheat". This biscuit, like the one now being made, is, on close examination, found to be exactly 83 per cent of the length of the true "Shredded Wheat" biscuit. But in the record it is shownthat in a multitude of cases petitioner's present biscuit has been mistaken for "Shredded Wheat" by the ultimate consumer (See Appendix B, pp. 72, 77, infra). As if

to aggravate the offense, petitioner placed upon the carton in large letters the words "The Original Has This Signature W. K. Kellogg". A photograph of the carton of January 1922 appears hereafter at page 119 of this brief. The record is replete with evidence that the use of this phrase operated to deceive both retailers and consumers. for it has been shown that many grocers assured their customers that the Kellogg biscuit was the original and inferentially that the respondent's biscuit was but an imitation (see the numerous extracts quoted in Appendix B. p. 72, infra). At once The Shredded Wheat Company took action and demanded that this unfair competition be stopped (R. vol. I, p. 103). Apparently conscious that the use of respondent's trade name and the imitation of the form of respondent's biscuit were indefensible, the petitioner in October of the same year ceased to make and sell the offending biscuit (R. vol. I. p. 67).

After petitioner discontinued the production of its imitation "Shredded Wheat" biscuit in October, 1922, it again remained out this field until the year 1927. Meanwhile the responsit's business had continued to increase and from a production of 2,035,922 cases in 1922 had grown to 2,477,262 cases in 1927. It had spent in advertising during this period upwards of \$8,800,000.

In 1927 the Kellogg Company could boast that it was the largest manufacturer of breakfast cereals in this country (R. vol. I, p. 203). The field occupied by "Shredded Wheat" must have been tempting and the growth of the respondent's business disquieting, for in 1927 the petitioner made its third attack upon this field. Its earlier "Kellogg's Toasted Wheat Biscuit" had failed in competition. Its 1922 invasion of the trade name and of the shape, and its claim that its biscuit was the original, had been abandoned upon demand of The Shredded Wheat Company. But in 1927 it started again to produce a biscuit in the pillow shape form and to give it the name of "Kellogg's Shredded Whole Wheat Biscuit". A photograph of the carton used at this time appears at page 121, infra.

In 1928 The Shredded Wheat Company brought suit to restrain this fresh outburst of unfair competition, commencing an action in the United States District Court for the District of Connecticut against the Kellogg Company and certain of its distributors. After some depositions had been taken in this action, but before trial, the Kellogg Company in 1930 again surrendered and indicated its intention thereafter to call its product "Kellogg's Whole Wheat Biscuit". Thereupon the action in Connecticut was discontinued without prejudice (R. vol. IV, p. 127).

But petitioner's retreat was grudging. It did for a time discontinue the use of the words "Shredded Wheat" on the face of its cartons, but it adopted several other expedients to confuse:

It continued the use of the pillow shape form, only slightly shorter than the true "Shredded Wheat";

It imitated the respondent's registered trade-mark of two "Shredded Wheat" biscuits with cream in a dish (Compare the reproduction of the trade-mark, R. vol. IV, p. 205, and the manner in which it is used on respondent's current carton, R. vol. I, p. 207, with the photograph of petitioner's carton, p. 122, infra);

It placed a cellophane window in the front of its carton which showed only the ends of its biscuits and thereby rendered confusion inevitable between them and the true "Shredded Wheat" (See the photograph, p. 123, infra);

It used the phrases. "A Shredded Wheat Product" and "Shredded Wheat in its Most Delicious Form" upon the ends of its carton (See R. vol. I, p. 219);

It revived again the false assertion used in 1922 that "The Original Has This Signature W. K. Kellogg" (See R. vol. IV, p. 1).

In an effort to show that this claim of being the original biscuit is "trivial", the petitioner prints opposite page 35 of its brief a supposed reproduction of one of its two-biscuit cartons in which the phrase is in type almost too tiny to be legible, wholly ignoring the fact that it was proved that the cartons of this size which were in the in 1932 carried the legend in substantially larger and perfectly legible type (R. vol. IV, p. 1). We have already called attention to the testimony quoted in our Appendix B, page 72, to the effect that the result of the use of these devices was a general deception of the trade and of the consumers as to which biscuit was the original and which the imitation.

Despite all these handicaps, "Shredded Wheat" continued to prosper, probably because during the depression the respondent continued its active advertising campaign, spending upwards of \$2,500,000 during 1930 and 1931. In 1932 the Kellogg Company for the third time attempted to pirate the trade name, and in spite of its withdrawal of 1930, the company and its dealers came out with an advertising campaign in hundreds of newspapers throughout the country (R. vol. I, pp. 92 to 100) in which it paraded first its "Shredded Biscuit" (ibid, pp. 111 et seq.) and then "Shredded Wheat Biscuit" (ibid, pp. 176 et seq.).

Thereupon the present action was brought.

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#### Petitioner's Conduct Has Led Inevitably to Confusion and Passing Off.

The petitioner's brief contains (p. 55 et seq.) the surprising statements that "There has been no deception of the public as to the origin of the respondent's and petitioner's products"; that "There has been and can be no confusion between them" and that there is "an absence of any passing off or likelihood thereof". These statements are gravely in error. The record abounds with evidence of confusion and passing off, despite the difference in the

cartons, upon which petitioner so heavily relies. A large number of instances are collected in Appendix B, page 72, infra.

Confusion and passing off are especially likely when the biscuit of petitioner is served to a consumer outside the carton, in a dish or bowl, as it frequently is in restaurants, cafés or hotels, and as it almost always is in private homes or boarding houses. Petitioner seeks to minimize this important fact by asserting that only two per cent. of those of its biscuits which are sold in restaurants, etc., are served to the customer outside individual cartons, so that "only approximately one in 5,000 biscuits sold by petitioner is seried apart from the carton". (See petitioner's brief, p. 6. The same statement is repeated in various forms at pp. 32, 46 and 55-56). This assertion is based upon a finding of the District Judge to that effect (R. vol. I, p. 204).

The importance of this finding is manifest. And yet the finding is wholly unsupported by the evidence. In the first place, the District Judge's calculation is incorrect on its face. As is admitted in the petitioner's brief (footnote. p. 6); the premise that only two per cent. of the restaurant sales are made outside the carton, leads to the conclusion that approximately one in 2,000 (not 5,000) of petitioner's total sales is so made. But secondly, the premise itself is quite lacking in any substantial foundation in the evidence. The testimony is, in fact, to the contrary. Many of the witnesses who were called in this case either by the petitioner or the respondent testified to the manner in which they served or received petitioner's biscuits in seventy-five different public eating places throughout the country. In nineteen of these seventy-five places the biscuits were served without the carton. The testimony, of these wit-

<sup>&#</sup>x27;Judge Nields apparently took the figures, as well as the miscalculation, from the petitioner's answer to respondent's Interrogatory No. 33 (R. vol. I, p. 73). The "estimate" contained in this answer in turn has no foundation other than the unsupported guess of a single witness (R. vol. II, p. 1075).

nesses is presented in tabular form in Appendix C, p. 87, infra.

In other words, over twenty-five per cent. of them served the biscuits apart from any carton; and the evidence shows that many of the consumers were confused as to the origin of the biscuits that were served to them (Appendix B. pp. 81, 83). If the same percentage of uncovered biscuits were served throughout the nation, as appears to have been served by or to the many witnesses who testified in this case, then about 270,000,000 of respondent's biscuits are annually served to the ultimate consumer apart from their carton. Assuming further that each customer receives two biscuits, there is opportunity for about 135,000,000 deceptive substitutions of petitioner's biscuit. But even if Judge Nields' guess were taken to be correct and the proportion stated by the petitioner were to be applied to the respondent's sales in the year 1928 of 2.500,000 cases, the resultant computation would show that not less than 540,000 of respondent's biscuits were in that year served without production of the carton.

The record shows conclusively that not only were intending purchasers of respondent's product often unable to tell whether they were getting what they desired, when supplied with petitioner's biscuit, but that in many instances actual falsehoods were used to reassure them.

Thus doubting customers were told variously that the Kellogg Company had sold out to the National Biscuit Company; that the Kellogg Company had purchased the Shredded Wheat Company and was putting out the biscuit in the package tendered; that the Kellogg biscuit was Shredded Wheat, made at Niagara Falls; that it was National Biscuit Shredded Wheat; that it was the original Shredded Wheat; and that Kellogg was the first to manufacture Shredded Wheat. Quotations from the testimon on this score appears in Appendix B at pages 72-76, infra. Although this testimony presents a graphic picture

<sup>\*</sup> The figures of petitioner's sales are not in evidence.

of misrepresentation and unfairness, to the petitioner it is merely "open and honest competition fairly and actively waged".

The record also contains many other instances of passing off. We have collected some of the testimony on the subject in Appendix B, page 72, infra, at pages 76-77. On each occasion the customer had ordered Shredded Wheat, expecting to receive respondent's biscuit, but was supplied with petitioner's Whole Wheat Biscuit. It is interesting to note that at times the customers' doubts were allayed by having the dish picture on the carton called to their attention (ibid, at pp. 76, 78, 79), or by an assurance that the package was the original Shredded Wheat (ibid, at pp. 73-75), or that sometimes it came marked one way and sometimes another way (ibid, at p. 76).

In the matter of confusion there is considerable proof that customers selected or accepted petitioner's carton in the belief they were getting that of the respondent, only to discover the substitution when paying for the goods, or after they had left the store or had arrived home. At times the mistake was occasioned by the customer's noticing on the carton the familiar picture of two bismits in a dish; at other times it was due to his catching sight of the biscuit ends through the cellophane window in the package. Testimony on this score is printed in Appendix B, page 72, infra, at pages 77-80.

Petitioner's assertion that no consumer has ever taken petitioner's product believing he was receiving respondent's is completely disproved by the statements of many witnesses. We need only point to testimony like that of Mrs. Grace Darling (R. vol. I, pp. 393, 394), who first discovered the substitution on the day following her purchase; of George Schapansky, who in one instance was unaware that he had the wrong carton until he came to pay for it (R. vol. I, pp. 717, 718), and, in another, until after he had left the store (R. vol. I, pp. 722, 723); and of Mrs. Jessie Fatjo, who had driven away from the store before she

learned of the substitution (R. vol. I, p. 745). Other witnesses who at the time of purchase believed they had received respondent's goods are Mrs. Caroline Cavalier (R. vol. I, p. 612); Mrs. Florida McCabe (R. vol. I, pp. 366, 367); Samuel A. Leonard (R. vol. I, p. 640); and Mrs. Dorothy McFarland (R. vol. I, p. 783). The testimony of all of the witnesses mentioned is contained in Appendix B, page 72 infra.

Numerous restaurant patrons were shown to have been served with petitioner's biscuit after ordering Shredded Wheat, and without the substitution having been excused or even mentioned. Frequently the patron was unable to tell whose product was being placed before him, the biscuit having been removed from the carton before being served. Typical examples will be found in Appendix B, page 72, infra, at pages 81-83.

The record also abounds with the opinions of dealers and others that petitioner's biscuit can be passed off on unwary customers as respondent's Stredded Wheat, especially when served without the carton. Representative examples of such opinion evidence have been set forth at pages 84 et seq. of Appendix B. In view of the proofs of actual substitution and passing off, the correctness of the opinions quoted has been fully confirmed.

The petitioner has remarked upon the large number of witnesses who testified that they had no difficulty in distinguishing between the two biscuits. It is worth noting that considerably more than a majority of these witnesses were grocers, employees of food firms or persons otherwise connected with the marketing of foodstuffs, and hence thoroughly familiar with the products of the various manufacturers. As to such persons being deceived, Judge Lacombe aptly remarked in National Biscuit Co. v. Baker, 95 Fed. 135 (S. D. N. Y., 1899), "No one expects that they will be". Where the charge is of simulation resulting in deception and confusion, the fact that dealers are not

deceived, is immaterial. As this Court said in Warner & Co. vs. Eli Lilly & Co., 265 U. S. 526, 530,

"That no deception was practiced on the retail dealers, and that they knew exactly what they were getting is of no consequence. The wrong was in designedly enabling the dealers to palm off the preparation as that of the respondent."

To the same effect is Federal Trade Commission vs. Winsted Co., 258 U.S. 483, 493, 494.

Moreover, proof that one purchaser was deceived far outweighs proof that a dozen others were not. The fact is, as the evidence demonstrates, that customers all over the country are having petitioner's biscuit put off on them when they suppose they are getting respondent's.

In addition, it is the deception, not only of old curcumers, but of possible future customers as well, that equity seeks to prevent. This has been well expressed by Judge Learned Hand in Lambert Pharmacal Co. vs. Bolton Chemical Corp., 219 Fed. 325, 326 (S. D. N. Y. 4915):

"There is always a fringe of possible customers, next year's for instance, with whom such opportunities are not to be disregarded, people who have heard vaguely the old name or seen it in advertisements and who fail to carry it with accuracy in their memory. Among these confusion is eminently possible, and that possibility, if not a remote speculation, is quite enough."

### 2. Others Have Had No Difficulty in Competing Fairly.

We cannot reiterate too frequently the statement that we seek no "monopoly" in the manufacture or sale of whole wheat biscuit made in accordance with the Perky patents. Nor do we or can we object to the petitioner's use of a fair description (as distinguished from a trade name) of the nature of its product. We do, however, object to a competitor's use of our name; to his imitation

of our trade mark, showing two biscuits in a dish; and to his imitation of the characteristic shape of our product.

That other competitors do manufacture and sell whole wheat biscuit produced in accordance with the Perky patents, that they have no difficulty in finding a distinctive name and shape for their product, and that they are not hampered in fair competition, is demonstrated by the conduct of the Quaker Oats Company and of the Loose-Wiles Biscuit Company. The Quaker Oats Company uses the Perky process and the Perky machines and produces a whole wheat biscuit to which it gives the trade name of "Muffets". In form "Muffets" bears no resemblance to "Shredded Wheat". Perky had pointed out in his patent application that instead of extruding the threads of wheat upon a belt they might be drawn upon a revolving spindle and some of his expired patents had shown the machinery for the operation of his process in this fashion (R. vol. V. p. 3). In this same patent Perky had likewise pointed out that as the pressure upon the rolls was increased or diminished, the out-pouring stream of wheat might appear "in the form of threads, lace or ribbons or sheets, &c." (ibid). A photograph of the "Muffets" carton which contains a picture of the biscuit appears hereafter at page 125 of this brief. It thus appears that an aggressive and intelligent competitor such as the Quaker Oats Company has found no necessity for using the respondent's trade name or for imitating the shape of its biscuit, while at the same time enjoying the teaching of the Perky patents and the use of Perky's formerly patented machinery.

"Muffets" is still being made in large quantities and is being sold by the Quaker Oats Company in active competition with "Shredded Wheat" at the present time.

The Loose-Wiles Biscuit Company, another competitor of the respondent and of the petitioner, manufactures a competing biscuit produced according to the Perky process and on the machinery which Perky had once patented. Compared with the fairness of the competition

of the Loose-Wiles Company, the actions of the petitioner furnish a background which is dark indeed. The Loose-Wiles Company found no need to copy the trade name of "Shredded Wheat" in introducing its Perky process whole wheat biscuit, nor did it find any necessity for claiming that its biscuit was the original, nor did it find it necessary to adopt the form in which "Shredded Wheat" has always been made. It called its product "Rippled Wheat". It assembled the threads of wheat into a form easily distinguishable from "Shredded Wheat". Its carton, containing a picture of the product, is reproduced in color at page 126 of this brief.

At page 21 of its brief, petitioner states that "neither Muffets nor Rippled Wheat is a shredded wheat product". We have already shown (pp. 9-10, supra) that this statement is in error. Conscious of the contrast between the competition of "Muffets" and "Rippled Wheat" and the competition of the Kellogg biscuit, the petitioner seeks to brush this aside in a single short paragraph of its brief. But it is one of the factors of the case that will not down in any fair appraisal of petitioner's behavior.

The recent actions of the petitioner, when contrasted with its behavior during the early years of its competition, and when contrasted particularly with the consistent fairness of the Quaker Oats Company and of the Loose-Wiles Company, speak more loudly than words of the unfairness of its conduct. But if conclusive proof were wanted of the unfairness of its competition, we can ask no better evidence than the testimony of the president of still another competitor. At Record vol. II, page 950, Mr. James F. Bell, president of General Mills, Inc., a large producer of cereal foods, was asked how far in his judgment it was necessary for a fair competitor to invade the trade name and the established form of "Shredded Wheat." He answered:

"I would say that, if it was a shredded wheat biscuit, it would either be made by the National Biscuit Com-

pany or its predecessor company, or it would be an imitation. If it were genuine whole wheat biscuit put through a shredding machine, I would not say it was a shredded wheat biscuit. Shredded wheat, as I have elready testified, is a product of the National Biscuit Company or its predecessors. I identified that in three ways: as a name, a product and a shape. Apparently, they have erected in the minds of the public this product in the most desirable ways of coverage that I can conceive of, being in the cereal business; because they have a three-vay coverage, as far as the public mind is concerned: name, product, and form. No one else has any right, in my opinion, to use either the name or the shape. I think those rights would be exclusive. They have promoted all those three phases over a long period of time; and they have so identified them in the public mind that I think it would not be fair if they did not have proper protection in all three of them. By that I mean the complete exclusion of anyone else, in the name, shape, or form of the biscuit. That would not be a complete monopoly, in my opinion. As long as the patents have run out, if you made other products of wheat, assuming the right existed on the expiration of the patents to use this vermicelli form of product, it could be put into other shapes."

Mr. Bell's statement is obviously a statement against interest, for nothing could be more advantageous to his company than the free privilege of using respondent's established trade name and long recognized form.

Fairness or unfairness of competition in most cases has had to be developed argumentatively. This case is unusual, if not unique, in having the two extremes illustrated over a long period of years by the actual conduct of the different factors in the industry.

## 3. The Authorities Support Respondent's Right to Relief.

In modern times, the doctrine of unfair competition has been markedly extended, so as to protect merchants and business men against the more subtle forms of unfair busi-

ness dealing to which modern business conditions and lack of business ethics seem continuously to give birth. In Schechter Poultry Corporation vs. United States, 295 U.S. 495 at page 532, Chief Justice Hughes, referring to the doctrine, said:

"In recent years, its scope has been extended. It has been held to apply to misappropriation as well as misrepresentation, to the selling of another's goods as one's own—to misappropriation of what equitably belongs to a competitor."

This extension was applied by this Court in *International News Service* vs. Associated Press, 248 U. S. 215, where unauthorized use of news releases obtained by the industry of the Associated Press was enjoined as unfair practice, although the act was not "passing off", as the term has been understood in the law of unfair competition.

A similar ruling, based upon the International News case, supra, is found in Motor Improvements, Inc. vs. A. C. Spark Plug Co., 80 F. (2d) 385 (C. C. A. 6, 1936), in which injunctive relief was given to prevent the defendant from representing its filter as being the same as one which had been adjudged to infringe the plaintiff's patent. The Court there recognized that passing off is not the sole test of unfair competition and said (p. 386):

"That it will enjoin the bringing about of the same wrongful results by other means or practices is exemplified in International News Service vs. Associated Press" (supra).

In Wall vs. Rolls-Royce of America, Inc., 4 F. (2d) 333. (C. C. A. 3, 1925), the Court, in dealing with a defendant who used the name Rolls Royce (the name given by plaintiff to its automobiles) in connection with radio tubes, two as widely different articles as can well be imagined, said (p. 334).

"Indeed, from the standpoint of commercial integrity, fair business, and trade equity, we feel the court

below, sitting in equity, was justified in preventing the defendant from veiling his business under the name of 'Rolls-Royce', for he had, and could have had, but one object in view, namely, to commercially use as his own a commercial asset that belonged to others, the continued use and abstraction of which is so fraught with such possibilities of irremediable injury, that the only way to remedy it is to stop it at the start."

In Aunt Jemima Mills Co. vs. Rigney & Co., 247 Fed. 407 (C. C. A. 2, 1917), the Circuit Court of Appeals reached a similar conclusion with respect to a trade mark sought to be used upon syrup and identical with one used for many years on pancake flour. In answer to the contention that no one could be confused between the two articles, the court said (p. 410):

"Obviously the public, or a large part of it, seeing this trade-mark on a syrup, would conclude that it was made by the complainant. Perhaps they might not do so, if it were used for flatirons. In this way the complainant's reputation is put in the hands of the defendants. It will enable them to get the benefit of the complainant's reputation and advertisement. These, we think are property rights which should be protected in equity."

In Yale Electric Corporation vs. Robertson, 26 F. (2d) 972 (C. C. A. 2, 1928), Judge Learned Hand recognizes the rule as follows (at p. 974):

"However, it has of recent years been recognized that a merchant may have a sufficient economic interest in the use of his mark outside the field of his own exploitation to justify interposition by a court. His mark is his authentic seal; by it he vouches for the goods which bear it; it carries his name for good or ill. It another uses it, he borrows the owner's reputation, whose quality no longer lies within his own control. This is an injury, even though the borrower does not tarnish it, or divert any sales by its use; for a reputation, like a face, is the symbol of its possessor

and creator, and another can use it only as a mask. And so it has come to be recognized that, unless the borrower's use is so foreign to the owner's as to insure against any identification of the two, it is unlawful."

If, as we confidently believe, the Court must be of the opinion, not only that unfair competition by the petitioner has been clearly established, but that the law on that subject as it has been expanded by this Court requires refief from the peculiarly subtle type of unfair competition here found, it remains to consider, first, the justification proffered by the petitioner—for the petitioner's brief is essentially one of confession and avoidance—and secondly, the nature and extent of the relief to which the respondent is entitled.

### II

## Petitioner's Excuses for its Conduct are Untenable.

In essence, petitioner bases its claim to a right to use the name "Shredded Wheat", and to copy respondent's pillow shape, upon the assertion that, since all of the Perky patents have expired, the doctrine of Singer vs. June" and of the cases which follow it, confers that right upon all the world.

We do not question the doctrine of any of those cases. We think that it is clear, however that the facts in the present case furnish no basis for the application of that doctrine.

Petitioner's argument, is founded largely upon four erroneous assertions: (1) that the decree of the Court below will confer a "monopoly" upon the respondent; (2) that the trade name "Shredded Wheat" is the only name which petitioner can apply to its product; (3) that the form and appearance of the biscuit as made by the

<sup>\*</sup> Singer Manufacturing Co. vs. June Manufacturing Co., 163 U. S. 169.

respondent for more than forty years is the only practical form in which it can be made; and (4) that no confusion between the petitioner's product and that of the respondent has been shown or is possible.

Each of these premises is erroneous, as will be found upon reading the portions of the evidence to which we shall refer. With the demolition of these premises, petitioner's case falls.

### 1. Respondent Seeks No "Monopoly" and the Decision of the Court Below Does Not and Cannot Give it One.

In its brief the petitioner asserts repeatedly that the decision of the Circuit Court of Appeals vests in the respondent a perpetual "monopoly" of the patented process and of the generic name by which the product is called.

"Monopoly" has a sinister sound in American ears. If use of the word is warranted at all, it must inevitably arouse distrust and suspicion against him who is charged with seeking to monopolize. We cannot too strongly assert nor too often reiterate that respondent has no "monopoly" and seeks no "monopoly". Nor could it get a "monopoly", if it tried. When the Perky patents expired in 1912 their disclosures lay in the public domain, free for every one to use to the same extent as if they had never been patented. This respondent at that time occupied no privileged position. It had the same rights, but no greater rights, than any other citizen of the nation. It had a right to follow the Perky process and to be protected against unfair competition in its endeavors; but every other person had exactly the same right. For another competitor to use respondent's trade name of "Shredded Wheat" is unfair; but similarly it would be unfair for a competitor to use petitioner's trade name of "Kellogg's", or Quaker Oats' trade name of "Muffets", or Loose-Wiles' trade name of "Rippled Wheat". None of these can be said in truth to constitute "monopoly". The reckless use of such a term merely serves to becloud and obscure the issue.

2. "Shredded Wheat" is neither the only name nor the generic name of the product.

Petitioner, sometimes by implication, sometimes by assertion, claims that respondent's trade name "Shredded Wheat" is but the generic term denoting a biscuit of the kind in which we are competing; and points to the fact that "Shredded Wheat" is found in some recently published dictionaries. It would have the Court believe that following the doctrine of the "Linoleum" and "Singer vs. June" cases these words must necessarily be used to designate the patented product, since there is no other name for it.

The occurrence of this expression in dictionaries is but a recognition of the respondent's success in publicizing its product. For nearly half a century the respondent and its predecessors have done their utmost to make the trade name of "Shredded Wheat" a household word. They have done more than this, however. They have succeeded in teaching the public to know that "Shredded Wheat" denotes not only a wholesome breakfast cereal, but also the respondent as its maker. The evidence that the name has acquired secondary significance is overwhelming. Some typical extracts will be found in Appendix A (p. 61, infra) and in Appendix D (p. 93, infra).

The petitioner's real complaint is that this enormous outlay and this persistent effort have been successful. It might as well complain that "Kodak" has become a part of the world's vocabulary through the efforts of the Eastman Kodak Company, or that "Vaseline" has forced its way into the dictionary because the producers of that particular type of petroleum jelly have advertised it persistently for sixty years. Chesebrough Mfg. Co. vs. Old Gold Chem. Co., 70 F. (2d) 383 (C. C. A. 6, 1934).

<sup>\*</sup> Linoleum Mfg. Co. v. Nairn, 7 Ch. Div. 834.

The petitioner claims that, like "Linoleum", there is no other name than "shredded wheat" by which the patented product can be called, and that therefore the name as well as the product lie free in the public domain. But that this is not so is shown not only by the conduct of every competitor of the respondent, including the petitioner, but also by the testimony of many of petitioner's own witnesses.

Ross in 1915, without urging by respondent, called his product "Ross's Whole Wheat Biscuit"; the Quaker Oats Company calls its product a whole wheat biscuit, and gives it the fanciful name of "Muffets"; the Loose-Wiles Biscuit Company calls its product a whole wheat biscuit and sells it under the fanciful name of "Rippled Wheat". Petitioner itself in 1912 called its competing product "Kellogg's Toasted Wheat Biscuit" at a time when no pressure was exerted upon it by respondent to influence its adoption of that name for its Perky process breakfast food. Again in 1930, after suit had been brought to restrain its appropriation of the respondent's trade name, the petitioner found no difficulty in reverting to the generally recognized generic name to produce the title, "Kellogg's Whole Wheat Biscuit".

It is clear from the testimony that "shredded wheat" is not the generic name, and certainly is not the only name, by which a product produced in accordance with the Perky patents is or can be called. The truth is that the generic name of the product in its biscuit form is "whole wheat biscuit". Among many other statements which may be found throughout the Record, witness the following by petitioner's own witnesses:

"I should say our consumers recognize there are two brands of whole wheat on the market, because some will call for Shredded Wheat and some for Kellogg's Whole Wheat. The people that have used shredded wheat have shifted from shredded wheat to Kellogg's Whole Wheat Biscuit, \* \* \*"

D. D. Kay, R. vol. III, p. 1751.

"If a customer calls for shredded wheat, we give her shredded wheat. If she calls for Kellogg's Whole Wheat Biscuit, we give her Kellogg's Whole Wheat Biscuit. If a customer said she wanted Kellogg's shredded wheat, I would say that Kellogg's is not shredded wheat but is Whole Wheat Biscuit." Isadore Cohen, R. vol. III, p. 1860.

"When a consumer asks for Kellogg's product, they generally ask for it as Kellogg's Whole Wheat Biscuit. The other product is known as shredded wheat. If a customer asks me for shredded wheat, she gets the Niagara Shredded wheat. If she asks for whole wheat, she gets Kellogg's Whole Wheat. If she would ask for Kellogg's shredded wheat, I would have to ask her if she wanted Kellogg's Whole Wheat or shredded wheat, because there is a difference there."

W. P. Welton, R. vol. III, p. 1645.

"I do not think we handle any whole wheat biscuit except this Kellogg biscuit."

R. J. Morrison, R. vol. III, p. 1833.

"I do not think the entry of the Kellogg Company into the whole wheat biscuit line has decreased the general volume of demand for that sort of product in any way. The increased sale of dry cereals in contrast to those which have to be cooked, has been very marked. There are so many different brands on the market, it is hard to say whether this type of biscuit has definitely increased or not. I am inclined to think it has. Much has been said about the advantages of whole wheat as a proper food, in national talks on health. I think that has helped the entire business.

"Since the first introduction of the product, the" Kellogg Company has, I think, succeeded in impressing that new whole wheat biscuit on our type of customer,

teaching them to ask for it."

P. W. Witherell, R. vol. III, p. 1762.

"The majority of my customers, when they want whole wheat, ask me for Kellogg's biscuits. A few ask for Shredded Wheat."

George Miller, R. vol. III, p. 1452.

We need not take the time of the Court in quibbling about the dictionary definition of the word "shred", although accurate English seems to prevent our use of that word to denote an article which is not torn into fragments but is extruded from a pair of rolls. Perky treated wheat as the rolling mill treats a steel bar or a copper rod, yet no one would dream of calling a steel bar "shredded steel" or a copper rod "shredded copper", as the Court below observed.

We are handicapped by our familiarity with "Shredded Wheat". We get a better realization of the fanciful quality of the phrase if we will try to project ourselves back to 1893 when Perky first used it to characterize the strange looking cereal which he was trying to sell. It is true that Perky, whose life from 1893 until his death in 1905 was occupied wholly with his new industry and who thought and dreamed of nothing but "Shredded Wheat" and the machinery by which it was produced, came to speak of it in some of his patent applications and in his advertising as if the whole world knew the article that he had in mind by those terms. But it is no more than natural that his mind should have worked in that fashion. The fact still remains that, unlike the classic "Linoleum", this was not the only term by which the product could be described and the usage of the various competitors after 1912 is the best evidence of that fac

3. The Pillow Shape is Neither Functional Nor is it the Only or Best Shape for the Product.

At page 46 of petitioner's brief it is claimed that the pillow shaped form of biscuit "inevitably results" from the Perky process of manufacture; and at pages 8-9 it is asserted, "Indeed respondent's chief chemist, who was formerly the production manager of The Shredded Wheat Bakeries, admitted that respondent's machines constructed according to the expired Perky patents 'cannot produce anything else except the pillow-shaped form of biscuit'".

In this petitioner is in error. The truth is that the testimony of Oakes, found in the eleven words quoted, referred to machines of improved construction, as they were then being used at respondent's Niagara Falls plant, not to what could or could not be made with machines constructed as shown in the Perky patents. This is clear in the record (R. vol. I, pp. 289-291). Moreover, Oakes showed that many different forms of biscuit could be made on the Perky machines. His testimony on this was, "as many as you can think of, I should say" (R. vol. I, p. 270), and this without changing the machine except for substituting one form of cutter for another. He produced various forms of biscuit which were exhibited in the lower court. Photographs of them will be found in R. vol. IV, pp. 111 to 121.

In respect to the Perky patents referred to on page 8 of petitioner's brief, it is true that in several of them cutters are shown which can be used to make the pillow shaped form of biscuit, but there are no claims in these patents upon pillow shaped forms or upon any of the many forms in which the filaments may be arranged. Cutters may be conformed to cut any shape desired. Any form of cutter might have been illustrated. For instance the now expired patent ic Anderson No. 1,334,249 (R. vol. V, p. 232), illustrates cutters to cut round biscuit, for use with Perky apparatus. The Williams patent No. 591,584 (R. vol. V, p. 490), also expired, illustrates a rotary cutter that may be used in such an apparatus to cut a band of filaments or threads into diagonal biscuits.

Where, as here, the shape of the article is not functional, its imitation will be restrained: Rushmore vs. Badger Brass Mfg. Co., 198 Fed. 379 (C. C. A. 2, 1912). The applicable principles cannot be better stated than they were in Enterprise Mfg. Co. of Pennsylvania vs. Landers, Frary & Clork, 124 Fed. 923, 926, 928 (D. Conn., 1903; affirmed,

131 Fed. 240, C. C. A. 2, 1904):

"The plaintiff claims no monopoly in the manufacture and sale of coffee mills. The world at large and its products are open to the defendant. It can ransack the universe, and, avoiding possible patents, put together and market what it will in the way of coffee mills, with this one exception, it shall not so arrange its materials and so dress its goods as to produce and market a coffee mill which will be liable to be mistaken for the mills upon which, by long and persistent effort, the plaintiff has been enabled to obtain a distinctive reputation" (p. 926).

"When the first glance of the eye fixes the idea of origin firmly upon the mind, a minor detail must in the ordinary case pass unnoticed. By dint of comparison and constant repetition in the quiet of the courtroom, such a detail may grow distinct and exceedingly luminous, but in the crowded store, in the rush and hurly-burly of everyday business life, it would fade into nothingness when opposed to the general attractiveness of the entire structure. That the defendant puts into the hands of the retailer or jobber the means of deceiving, whether with or without intention, is too obvious to deserve further discussion" (p. 928).

But the conclusive answer to this claim of the petitioner is that the other competitors of respondent have had no difficulty in using the Perky process and Perky machines to make biscuits of a form wholly different from "Shredded Wheat". Nor did petitioner itself find any such difficulty during the years from 1912 to 1919, while it was manufacturing "Kellogg's Toasted Wheat Biscuit."

# 4. The Effect of Petitioner's Delay in Trying to Appropriate the Name and Form.

The conscience of the Chancellor can not fail to be touched by the fact that the respondent in the best of good faith has poured out its funds year after year in a consistent effort to make its trade name a household word, identifying the product with its manufacturer. In all, more than \$17,000,000 was thus expended between the

expiration of the patents and the year 1927, when petitioner made its first serious effort to use the trade name "Shredded Wheat". The Chancellor must remember too that throughout that period of fifteen years no competitor challenged the respondent's property right in this trade name, with the exception of the petitioner's abortive effort for a few months in the year 1922. The fact that petitioner, the largest producer of breakfast cereals in the country, stood by throughout that entire period and allowed the respondent to spend these vast sums in building up a good will for "Shredded Wheat", would of itself make a court of equity slow to hand over a part of that good will to a competitor who has spent neither money nor effort to create it. As Judge Davis said, speaking for the Court below:

"When a person, after the expiration of a patent, has spent such enormous amounts of money during a period of fifteen years to create a valuable property right in the name and form of his product, equity day will not permit another to apply the name and form of the merchandise to his product and thus appropriate it to his own use and advantage and to the injury of the one who has created the good-will" R. vol. III-a, p. 2088; 91 F. (2d) 150, 153).

That rights in a trade name otherwise invalid may be acquired by user over a period of years was recognized by Congress when it added the so-called ten-year proviso to Section 5 of the Trade Mark Act of 1905. In *Thaddeus Davids Co.* vs. *Davids*, 233 U. S. 461, this Court speaking through Mr. Justice Hughes said (at pp. 468, 470):

"Marks of this sort, notwithstanding the general prohibition, were made registrable when the applicant or his predecessors had used them, actually and exclusively, as trade-marks for the described period."

<sup>\*</sup>Copy of Section 5 of the Trade Mark Act of 1905, containing the so-called ten-year clause in italics, will be found in Appendix  $\Gamma_{i}$ , post, p. 100.

"Their exclusive use as trade-marks for the stated period was deemed in the judgment of Congress a sufficient assurance that they had acquired a secondary meaning as the designation of the origin or ownership of the merchandise to which they were affixed."

Some recognition of the equities arising from a situation such as this is found in the decision of the Circuit Court of Appeals for the Second Circuit in Scandinavia Belting Co. vs. Asbestos & Rubber Works, 257 Fed. 937 (C. C. A. 2, 1919), in which it was contended by the defendant that the trade mark "Scandinavia", in addition to being invalid because geographical, had become public property upon the expiration of the patent covering the product to which the trade mark had been applied during the life of the patent. In dealing with this contention the Circuit Court of Appeals said (at p. 960):

"But there is another and conclusive reason why this claim that the name 'Scandinavia' became open to the public on the expiration of the patent is of no avail to the defendant, for if it were to be conceded that the doctrine of the Singer case originally applied the evidence shows that the public did nat avail itself of the right, and that now because of the registration of the trade-mark under the ten years' clause it is not at liberty to violate the plaintiff's exclusive right."

A similar ruling is found in McKesson & Robbins vs. Charles H. Phillips Chemical Co., 23 F. (2d) 763 (Ct. App. D C., 1927), in which the Court of Appeals for the District of Columbia, dealing with the trade mark "Milk of Magnesia" said (at p. 764):

"Where the public fails to avail itself of the right to manufacture the patented article and use the name by which it was designated, and 10 years' exclusive use of the mark intervenes prior to the Trade-Mark Act of 1905, the party using the mark is entitled to registration under the 10-year clause of the Act." Both the above cases held that the ten-year clause applies to cases otherwise within the doctrine of Singer vs. June, although none of the clauses specified in Section 5 of the Trade Mark Act of 1905 covers the cases coming within that doctrine. Thus these decisions have extended the ten-year clause of the statute beyond its terms and the only justification for so doing is that the clause was in effect declaratory of a public policy, or that equitable considerations growing out of the exclusive use of a given trade mark by one person for a period of ten years or more after the expiration of a patent entitle that user to protection against its use as a trade mark or a trade name thereafter.

Moreover, there is a well settled rule of law which precludes the petitioner, under the circumstances of this case, from asserting that it has an absolute legal right to use the words "Shredded Wheat". The holding in Singer vs. June that the generic name of a patented article falls into the public domain upon the expiration of the patent, rests upon an implied dedication. It is a well settled rule of law that a non-statutory dedication to the public must, in order to be effective, be accepted; and, where no time for acceptance is expressed in the dedication, the acceptance must be within a reasonable time. C. J. p. 72, sec. 67; p. 74, sec. 70, and cases there cited). The courts, in formulating rules pertaining to patents, have applied the rules pertaining to real estate and other property in analogous situations. Ci. Edison Electric Light Co. vs. Peninsular Light, Power & Heat Co., 101 Fed. 831 (C. C. A. 6, 1900); Indiana M1g. Co. vs. Nichols & Shepard Co., 190 Fed. 579, 584 (Circ. Ct., D. Mich. 1910); Co: ptograph Co. s. Bur oughs Adding Machine Co., 183 Fed. 321, 325 (C. C. A. 7, 1910).

Certainly it could not conceivably be held that there had been an acceptance within a reasonable time here, when neither the petitioner nor anyone else had attempted to use the words for 15 years, during all of which time respondent had used them exclusively as an indication of the source of the product.

In the present case the respondent had the unchallenged use of the words "Shredded Wheat" as its trade name for fifteen years after the expiration of the Perky patent (with the exception of a short period in 1922 during which the petitioner started to use the term but abandoned it upon demand). We therefore earnestly submit that in view of the extension of the doctrine of unfair competition by this Court to meet modern commercial conditions, to which we have already referred, the respondent is clearly entitled to the protection of a court of equity in its use of the name "Shredded Wheat" as a trade name. This was exactly what the Circuit Court of Appeals determined in this case.

## 5. "Shredded Wheat" is a Valid Trade Mark.

The foregoing considerations show that as a matter of fair trade, the petitioner should not be allowed to designate its product "Shredded Wheat". Respondent submits that the same result must be reached on a further ground, to wit: "Shredded Wheat" is a valid common law trade mark for respondent's whole wheat biscuit. It was so used by Perky beginning in 1893, nearly half a century ago.

This use began long before any Perky patents were applied for and more than two years before any issued (R. vol. I, pp. 959, 971, 980). The record is clear that it has been used continuously as a trade mark since 1905. The patents did not give it genesis: Batcheller vs. Thomson, 93 Fed. 660 (C. C. A. 2, 1899); President Suspender Co. vs. McWilliam, 238 Fed. 159, 163 (C. C. A. 2, 1916).

Petitioner contends that the words are truly descriptive rather than suggestive as the Court below held. An answer to this contention will be found on page 40, supra.

Petitioner attempts to make the point (Brief, pp. 11 and 106) that respondent disclaimed the words "Shredded Wheat" as a trade-mark by reason of statements in certain registrations of other trade-marks. Neither of the lower Courts has paid any attention to this argument.

The facts are plain enough: at R. vol. IV, p. 197, appears a registration of a picture of a dish with a spoon, milk and a biscuit in it. The disclaimer means only that respondent does not claim the biscuit alone but, in that particular mark, only in conjunction with the spoon and the milk.

Similarly, at R. vol. IV, p. 199, is a registration of a picture of the factory, accompanied by the statement,

"no claim is made herein to the words 'The Home of Shredded Wheat'."—

which merely signified that that mark, like the preceding one, was claimed irrespective of the text.

The third was similar to the first in every way (R. vol. IV, p. 205). A disk with two biscuit was shown, and it was said that that mark did not include the representation of two biscuit "apart from the mark shown in the drawing".

There was no disclaimer of rights to either "Shredded Wheat" or the form of the biscuit; but the effect was to claim the marks shown, whether or not the other indicia were present.

Respondent at all times material to the issue has had registrations of "Shredded Wheat" as its trade-mark in most of the states (R. vol. I, p. 315). It has also, since 1921, had registrations thereof in the United States Patent Office (R. vol. IV, p. 179).

The two cases cited by petitioner do not support its point of law (Brief, pp. 106-7).

In Beckwith v. Commissioner of Patents, 252 U. S. 538, the case was on appeal from the District Court of Appeals, which had affirmed a decision of the Patent Office that certain descriptive words should be canceled from the face of an arbitrary mark before it could be registered. This Court reversed and held that they should not be eliminated, but the mark should be registered with them on it; the Court noting that the "disclaimer" of the words apart from the mark was enough.

In Holzapfel's Co. v. Rahtjen's Co., 183 U. S. 1, 11, the Court noted that there had been an explicit "disclaimer on the part of the applicants of the right to the exclusive use of" the words "Rahtjen's Patent Composition" in the only registration before the Court. These words, it was said, were improper because there was no patent. The case was decided upon the point that the plaintiff had not shown an exclusive right to the name "Rahtjen's Composition".

#### Ш

## Singer vs. June Recognizes That Respondent Must be Protected from Unfair Competition by Imitation of the Name and Form of its Biscuit.

In every case of this nature the defendant invariably relies most heavily upon the decision of this Court in Singer vs. June, 163 U.S. 169. We hope that it will be understood that we do not in any way question the soundness of the doctrine enunciated in that case. In fact, the respondent relies upon the rule there laid down and reiterated in Warner & Co. vs. Eli Lilly & Co., 265 U. S. 526. In Singer vs. June, this Court found that Singer was the generic name of the formerly patented article, and the Court followed the Linoleum\* case by holding that the defendant was free to use that name, since there was no other word aptly descriptive of the article. Here, upon the undisputed facts, the Court below has found the exact contrary, and the long history of the whole wheat biscuit industry shows that fair competitors never have found it necessary to use this trade name to describe their competitive products. Such being the case, it will be seen that the facts here are wholly different from those in Singer vs. June:

<sup>\*</sup> Linoleum Mfg. Co. vs. Nairn, 7 Ch. Div. 834.

It must be noted too that the decree of this Court in Singer vs. June required the marking of each article so that the ultimate consumer or purchaser would be advised that it was the product, not of the complainant, but of the defendant. In this case the undisputed fact is, as proved by the petitioner itself, that the article which reaches the ultimate consumer is incapable of branding, marking or banding, the expense being such as to make these distinguishing marks commercially impracticable.

In considering the applicability of Singer vs. June, we must always be mindful of the fact that the June Company commenced the manufacture of its competitive product almost as soon as the patent had expired, whereas in the present case a long period intervened after the expiration of the patent, during which the trade as a whole showed by its course of conduct that use of the words "Shredded Wheat" was not necessary to designate the product of the patent.

Not only do we rely upon the fundamental principles enunciated in *Singer* vs. *June*, but we believe that the language of Mr. Justice White in that case states vividly the situation in which a former patentee finds himself at the expiration of his patent. He said (at p. 187):

"To say that a person who has manufactured machines under a patented monopoly can acquire no good will, by the excellence of his work, or the development of his business, during the patent, would be to seriously ignore rights of private property, and would be against public policy, since it would deprive the one enjoying the patent of all incentive to make a machine of a good quality, because at its termination all the reputation or good will resulting from meritorious work would be subject to appropriation by every one."

It is precisely this point upon which we insist, for it seems to us manifest that the petitioner in 1932 was endeavoring to appropriate the good will which the respondent had built up during the life of the patent and during the twenty years that followed its expiration. Surely in a court of equity such effort must fail. We can have no doubt the if the record before this Court in Singer vs. June had resembled the record now before it, the conclusion would have favored the plaintiff in that action without qualification.

In the recent case of Nu-Enamel Corporation vs. Armstrong Paint and Varnish Works, 81 F. (2d) 1 (C. C. A. 7, 1935), Judge Evans in the Circuit Court of Appeals for the Seventh Circuit, used language that is most pertinent to the present situation. He said (at p. 3):

"The manufacturer or merchant who holds or who once held a patent monopoly which has expired is entitled to protection against unfair methods of trade just as any other manufacturer. . In considering an unfair trade method case, we must dismiss as of no hearing the fact that the party seeking relief previously held a valid or an invalid patent . . . He is in a court of equity as one who is honestly engaged in commerce and seeking protection against another who is, by methods which are unfair, passing off its goods for those of another. He merely asks the court to stop a business competitor from unfair trade practices. We confuse the issue when we color appellant's right to relief by the Government grant of monopoly and assume that the right to relief ceases. or is lessened, when the grant expires."

# The Evidence Shows That the Name and Form of Respondent's Biscuit Have Acquired Secondary Significance.

If, as we believe, the words "Shredded Wheat" are not the only name for the product, but constitute the trade name of the respondent, entitled to protection as was found by the Circuit Court of Appeals, the use of which by a competitor would constitute unfair competition, then we are not concerned to inquire whether the words have acquired a secondary significance, denoting the respondent as the manufacturer of the product. But if the Court should be persuaded by the petitioner that "Shredded Wheat" is the generic term of the product, then the petitioner is impaled upon the other horn of the dilemma, for the record is replete with evidence that the words throughout the years have acquired a secondary significance denoting the respondent as the manufacturer of the product. This was found by the District Court in 1915 in the Humphrey-Cornell case. If secondary significance existed in 1915, we may be sure that it is even more certain to exist today.

Both respondent and petitioner took depositions of grocers and other dealers and of consumers of "Shredded Wheat" in many of the principal cities of the United States. In all more than 300 witnesses testified by deposition on the subjects of secondary significance and confusion.

This testimony establishes beyond peradventure that the name "Shredded Wheat" and the appearance of the biscuit have both become so well known throughout the forty and more years during which they have been before the public as to have acquired a definite meaning distinctive of the respondent and its predecessors as the source. Indeed, as early as 1915 Judge Thomas of the Connecticut District Court found that at that time both name and shape had become distinctive of the respondent's product (244 Fed. 508), which finding was not disturbed by the Circuit Court of Appeals and was incorporated in the judgment entered upon the mandate of that Court (Plff's, Ex. 237, R. vol. IV, pp. 58-59).

Whether or not the words were once descriptive and hence could not have been registered thus becomes unimportant in view of the overwhelming proof by dealers and consumers, testifying both on behalf of the respondent and of the petitioner, that "Shredded Wheat" to the buying public and to the trade connotes respondent's product.

<sup>\*</sup>Shredded Wheat Co. vs. Humphrey-Cornell Co., 244 Fed. 508 (D. Conn., 1917) 518-519, affirmed, 250 Fed. 960 (C. C. A. 2, 1918).

The proofs are that when grocers or other retailers order respondent's product from wholesale grocery houses, they customarily call for "Shredded Wheat", without further designation; and that this is sufficient to indicate to the dealer that they are ordering respondent's goods and not those of petitioner. Likewise, when housewives and other consumers ask their grocer or restaurant proprietor for "Shredded Wheat", the latter knows respondent's product is intended, and he fills the order accordingly, unless he happens to have on hand only petitioner's goods, in which case, some boldly substitute petitioner's package without explanation. is ample proof by food merchants, both wholesale and retail, that to the trade "Shredded Wheat" signifies a product of respondent's manufacture, and has all the significance of a trade name. Numerous examples of the foregoing character are collected in Appendix A, p. 61 infra. Compare also the quotations assembled in Appendix D. p. 93, infra.

The same authorities testified convincingly to the fact that in the minds of the purchasing public the name "Shredded Wheat" refers to a wheat biscuit produced by respondent or by its predecessor. Indeed, some retail dealers refused to concede that petitioner manufactures "Shredded Wheat", but gave as their opinion that it is made by respondent alone, and that petitioner's biscuit is an imitation (see, e. g., the testimony of the witnesses Leighton, pp. 63-4; Born, p. 65; Dingee, pp. 65-6; Siebert, p. 66; Steen, pp. 66-67; Collected in Appendix A, infra, p. 61).

Moreover, the testimony belies petitioner's assertion that the term "Shredded Wheat" was used by consumers to denote respondent's biscuit only so long as respondent was the sole producer. The Quaker Oats Company and the Loose-Wiles Company have been marketing a whole wheat biscuit for years. Likewise the petitioner, Kellogg Company, has been manufacturing a whole wheat biscuit

almost continuously since 1912. Proof as to the secondary significance of "Shredded Wheat" was not limited to the period before 1912 or even before 1923. It not only covered the whole period of respondent's manufacture, after as well as before the advent of rival producers, but there is specific evidence that the public's association of the name with respondent as the source of manufacture has continued, notwithstanding the petitioner has entered the same field and has adopted the identical name.

All of the proofs which we have summarized above were before the Court below and form the basis for its statement (R. vol. III-a, p. 2086):

"It is undisputed that at the time defendant adopted the name 'Shredded Wheat', and the trade mark of the plaintiff to designate its product, the trade and consumers generally had come to regard the name and trade mark as identifying the plaintiff's biscuit."

This is an unequivocal finding of fact, based upon clear proof, in the face of which it is idle for petitioner to argue that secondary meaning has not been established.

The evidence of secondary significance in the record now before the Court is so clear that we do not understand the petitioner seriously to argue that secondary signifi-cance has not been proved. In addition to statements such as those collected in Appendix A; the Court should note how dozena of petitioner's own witnesses unconsciously used the term "Shredded Wheat" to denote the product of respondent's manufacture. Their testimony is given in Appendix D, page 93 of this brief. Confronted with this mass of evidence, petitioner falls back on the statement on page 94 of its brief that secondary significance has justified an injunction against the use of a trade name only in cases where "the words enjoined were not in any sense commercially indispensible to free and fair competition". The petitioner evidently forgets that no competitor has found this trade namy "commercially indispensible" excepting only the petitioner itself, and then only for a small part of the period during which it has been competing.

The net result of the testimony as to secondary significance is to demonstrate a situation with respect to the name "Shredded Wheat" which is identical with that of the name "Coca-Cola", as described by Mr. Justice Holmes in Coca-Cola Co. vs. Koke Co. of America, 254 U. S. 143, 146:

be had at almost any soda fountain. It means a single thing coming from a single source, and well known to the community. It hardly would be too much to say that the drink characterizes the name as much as the name the drink. In other words Coca-Cola probably means to most persons the plaintiff's familiar product to be had everywhere rather than a compound of particular substances. Although the fact did not appear in United States v. Coca-Cola Co., 241 U. S. 260, 289, we see no reason to doubt that, as we have said, it has acquired a secondary meaning in which perhaps the product is more emphasized than the producer but to which the producer is entitled."

#### IV

## The Canadian and British Decisions

Emphasis is placed by the petitioner in its brief upon the fact that in the case arising in Canada between subsidiaries of the parties here, the Privy Council in London rendered a decision adverse to the registration under the trade mark statute of Canada; and also that the Court of Appeals in England has recently reversed a judgment of the High Court of Justice in an application by the British subsidiary of petitioner to strike from the Registry the trade mark "Shredded Wheat", previously registered by the respondent under the British Trade Mark Law. Both the controlling law and the facts proven in those two cases are wholly unlike the law and the facts now under consideration by this Court in the case at bar.

If the facts were the same and if the controlling statutes were the same, we freely concede that the judgments of those courts would be entitled to the utmost respect, but that is not the case.

The Canadian case reached the Judicial Committee of the Privy Council upon a record quite different from that in the case at bar: Specifically, only a single sale of the Kellogg biscuit was proved to have been made in Canada. There was no evidence of actual confusion or passing off. The question involved was the correctness of the action of the Registrar in placing the trade mark "Shredded Wheat" upon the Registry in 1928 and 1929. The correctness of that action hung upon the peculiar wording of the Canadian statute, and the decision of the Privy Council goes no further than to hold that the evidence which the Canadian Shredded Wheat Company was able to produce fell short of establishing that at the time of registration the words (which the Privy Council thought to be indicative of the character and quality of the product) had at that time acquired secondary significance in Canada.

Moreover, the judgment of Lord Russell, speaking for the Privy Council, recognizes the rules of law for which we contend in this case: namely, first, that even a descriptive word may acquire secondary meaning and come to mean that the goods in connection with which it is used are the goods of a particular manufacturer, and secondly, that even in the case of an expired patent it is possible for evidence to establish that the name has become distinctive of a particular manufacturer rather than merely descriptive of the goods. The ruling of the Privy Council was simply that the evidence addiced in that case did not meet this requirement.

The case arising in England was one brought by the English subsidiary of the petitioner here to "correct the Register" by striking from it the trade mark "Shredded Wheat", registered in 1929 by the British subsidiary of the respondent. After a trial of the issues raised by that application, which consumed twelve days of the time of

Mr. Justice Bennett in the High Court of Justice, he ruled as follows:

"There is not a shred of evidence to support the argument that the words meant or were understood by anyone to mean that the article to which they were applied was an article made in accordance with To my mind the evidence Perky's specification. afforded by a consideration of the advertisements put out by the Respondents, in which the words 'Shreddel Wheat' have always been the most prominent feature and of the cartons and the wording upon them, and in particular of the use thereon of the words 'Shredded Wheat' is conclusive that the words 'Shredded Wheat' have, since the beginning of 1926, been used by the Respondents for the purpose of indicating that the biscuits in connection with which the words have been used were manufactured by the Respondents at their Welwyn Garden City factory" (p. 109, infra).

"In fact the evidence in my judgment establishes that Shredded Wheat is as much a household word as Bovril or Oxo or Hovis. Every trader knows it to mean the Respondents' biscuits, and in every household in which they are eaten the biscuits are known as Shredded Wheat, and known by that name as being of the Respondents' manufacture" (p. 114, infra).

"I was also satisfied that if there were today to be put on the market similar goods made by another manufacturer which might be called Shredded Wheat passing off would not be merely possible but probable particularly in hotels and boarding houses, where the customer never sees the carton or package from which the biscuit offered to him has been taken.

"For these reasons I hold that the mark was properly put upon the register and that the motion to expunge it fails" (p. 115, infra).

Anappeal was taken from this decision and the Court of Appeals, brushing aside as of minor importance the clear and unequivocal findings of fact just recited, reversed

the judgment of Justice Bennett upon a purely technical construction of a technical English trade mark statute, and based its decision largely upon language printed on a carton in use prior to the year 1926.

An appeal has been taken to the House of Lords, seeking reversal of the judgment of the Court of Appeals and the reinstatement of that of Justice Bennett.

For the convenience of the Court a copy of Justice Bennett's decision is appended to this brief in Appendix F, post page 102.

### V

## Respondent is Entitled to Effective Relief

Having now established, as we confidently believe, that the conduct of the petitioner, in the light of the broad doctrine of unfair competition now prevailing—a doctrine which would be better denominated as the doctrine of unfair trade—calls for equitable relief, it follows necessarily that the respondent is entitled to effective relief. This Court, speaking through Mr. Justice Sutherland in Warner & Co. vs. Eli Lilly & Co., 265 U. S. 526 at page 532, says:

"But respondent being entitled to relief, is entitled to effective relief; and any doubt in respect of the extent thereof must be resolved in its favor as the innocent producer and against the petitioner, which has shown by its conduct that it is not to be trusted."

The only effective relief, that is, relief which will for all time put an end to and prevent the possibility of confusion of the public as to the origin of the respective parties' products, is that prescribed in the decision appealed from. With respect to the name, it will be noted that the opinion of the Circuit Court of Appeals refers to the case of Barton vs. Bex-Oil Co., 29 F. (2d) 474 (C. C. A. 3, 1928), decided by that Court. The proof of secondary significance and of confusion in that case was held to be so

cogent as to require an injunction against the use of the descriptive "Dye-and-Shine" as a part of a product name "as distinguished from their use in describing it". So in the case at bar, the Circuit Court of Appeals held that while the petitioner is free to use them to describe the qualities and characteristics of its product, it may not use the words "Shredded Wheat" as its trade name.

The petitioner in 1930 undertook to call its product "Kellogg's Whole Wheat Biscuit"—prefacing the generic name of the product with its own trade-name. It now asserts that it cannot succeed commercially unless it calls its product by the respondent's name. It says this although three other competitors, two of which are still in business, have not found it necessary to do so. Obviously the petitioner wishes to call its product "Shredded Wheat" because by doing so it can sell more of it. Hence, respondent cannot be protected unless the injunction against the use of the words as part of the trade name be sustained."

The same is true as to the form of the biscuit. We have already pointed out both in the argument and in Appendix B of this brief that the petitioner's biscuit served upon a call for "Shredded Wheat" has resulted in confusion and passing off. Even as early as 1915, in the Humphrey-Cornell case" the Court could find that the appearance of the respondent's biscuit had acquired secondary significance as meaning only the biscuit made by the respondent (R. vol. IV, p. 59); and this finding was not only retained in the modified mandate (ibid) but was expressly and emphatically recognized by Judge Learned Hand in his opinion written for the Circuit Court of Appeals in the same case (250 Fed. 960).

<sup>\*</sup>For petitioner to use the words "Shredded Wheat", succeeded by its name "Kellogg's", would be "in aggravation and not a justification". Menendez vs. Holt, 128 U. S. 514, 521; Jacobs vs. Beecham, 221 U. S. 263, 272.

<sup>\*\*</sup> Shredded Wheat Co. vs. Humphrey-Cornell Co., 244 Fed. 508.

It is true that the relief ultimately granted in that case was limited to the marking of such biscuits as reached the ultimate consumer outside the package, but a little reflection will show the futility and ineffectiveness of such an injunction, for the manufacturer is wholly unable to determine, when biscuits are being packed, which ones will be delivered without the package. Moreover, the petitioner in this case, with the aid of Andrew Ross, the real defendant in the Humphrey-Cornell case (R. vol. III, p. 1996) as well as with the testimony of its own technical employees (R. vol. II, p. 1122), has established and asserts that the biscuits cannot be individually branded. face of such assertion the portion of the judgment appealed from, which enjoins the petitioner from making its biscuit in the form and shape of the respondent's biscuit, was inevitable; for not otherwise could effective relief be granted.

A court of equity is a practical court—its genesis was in affording suitors practical relief where the rigid law courts denied it. We have heretofore shown that the petitioner can fully enjoy all rights which passed to it and the public upon the expiry of the patent without any necessity for destroying respondent's good will. It is the protection of that good will which the respondent now seeks.

### VI

# The Public Has a Real Interest in This Case

It is obvious that if the petitioner has the right to make an imitation of "Shredded Wheat", using the pillow shape form and using the words "Shredded Wheat" as part of the name of its product, then every other citizen of the United States has a similar right. There is nothing in this record that would warrant us in charging that the petitioner's standards of purity and cleanliness are not high, nor is there any evidence that petitioner does not.

use the same expensive quality of wheat as is used by the respondent. It is, however, self-evident that all manufacturers will not be so scrupulous in the maintenance of these high standards. Certainly not all persons would be willing to pay the premium which must be paid to secure Number One grade white winter wheat, such as has been used by the respondent throughout the manufacture of "Shredded Wheat", nor would all persons use the same expensive precautions to insure cleanliness in manufacture and absolute purity of product.

Today the nation knows that respondent's "Shredded Wheat" is wholesome, clean and pure. It is in the public interest that these high standards be preserved and that a call for "Shredded Wheat" in any town in the country will always produce a product of such high quality. It surely is not in the public interest to open the door to substitution of products which may be of inferior quality. Even if the equities between petitioner and respondent were evenly balanced, this factor of the public interest should shift the balance so as to require all affirmance of the decree of the Court below.

We confidently submit that the decree of the Circuit Court of Appeals does no more than simple justice. We respectfully ask that it be affirmed in toto.

Respectfully submitted,

DAVID A. REED, Solicitor for Respondent.

CHARLES A. VILAS, THOMAS G. HAIGHT, DRURY W. COOPER, of Counsel.

## Appendix A

Specimens of Testimony Showing Secondary Significance.

(See also Appendix D, infra, p. 93).

HARRY J. Helmers, a wholesale grocer of Cincinnati, Ohio, and a witness for petitioner, said on cross-examination (R. 1567):

"When our customers ask for shredded wheat, we know what they want and give them what they want, because we do not classify Kellogg's Whole Wheat Biscuit as shredded wheat. I just feel like either one of them is a name. I imagine shredded wheat would be a trade name; of course, the same as Whole Wheat Biscuit. Shredded wheat has been a sort of household word so many years it is associated with this biscuit now made by the National Biscuit Company, in the minds of the public. That is the reason. When an order is taken, if you want to call it a bescuit, all right; but, if they say Shredded Wheat, that is all is said on the order. One case shredded wheat is the way the salesmen order it. It is not necessary to say National or Niagara Falls; it is just shredded wheat. I believe that has been so as long as I can remember in the business."

He was corroborated by Charles T. Ward, president of Francis H. Leggett & Company, an old and well-known wholesale grocery house of New York, who stated (R. pp. 684, 685):

"The term Shredded Wheat means to me a proprietary item of some sort, or brand, owned by the Shredded Wheat Company formerly, I think, and now by the National Biscuit Company.

By the term 'proprietary article' I mean to convey some item that is owned individually by somebody.

In my opinion as a merchant, I do not think there is any question in my mind about the fact that the advertising and the sales of Shredded Wheat, as I know it, resulted in identifying Shredded Wheat as a proprietary article."

The witness Edward E. Sweet, at one time connected with the *petitioner* corporation as a salesman and having had great experience in the sales departments of large food corporations for a period of twenty years or more, testified as follows (R. 332):

"I certainly have had an education in cereals that would probably permit me to be more critical than the ordinary consumer. For that reason, I am probably very critical of the cereals and the comparisons that I make when I select them and eat them. When I find a biscuit like that in Plaintiff's Exhibit 1, I can not think of anything but Shredded Wheat. When I think of Shredded Wheat the thought I get is concerned entirely with the product, manufactured by the National Biscuit Company at Niagara Falls."

WILLIAM A. HANNICAN, President of J. D. Sissler Company of Wilmington, Delaware, and in the wholesale grocery business for twenty-seven years, testified (R. 295):

"During all the twenty-seven years we have handled a product known as Shredded Wheat. Originally we knew of Shredded Wheat as being made at

Niagara Falls.

Plaintiff's Exhibit 1, which you hand me is the package that I referred to a moment ago as Shredded Wheat. When we ordered or desired that product from the manufacturer we ordered so many cases of Shredded Wheat. Shredded Wheat I think it commonly went as. It was known to the trade as Shredded Wheat. The product was ordered from us by the retailer as Shredded Wheat. That term indicated to me, one of the members of the trade, the source or origin of that product."

HARRY W. FRAZIER, for thirty-nine years a retail grocer at Wilmington, testified (R. 298):

"I know what Shredded Wheat is from the selling of it. The package marked 'Plaintiff's Exhibit 1' is the package we sell as Shredded Wheat. I cannot say exactly how long I have known Shredded Wheat, but I venture to say 30 or 35 years.

When we ordered the product in the carton similar to Plaintiff's Exhibit 1, we ordered Shredded Wheat and when customers asked for Shredded Wheat we supplied Plaintiff's Exhibit 1—this package of Shredded Wheat."

The witness Hamilton, a Boston Grocer, testified (R. 353):

"When a customer says shredded wheat, it means a package like Plaintiff's Exhibit 1. When a customer orders it, that is the package I supply her. Many of my customers order by telephone. They order this product as Shredded Wheat. When we get such an order, we supply this shredded wheat; have never supplied any other."

John A. Orr, a grocer of long experience in Pittsburgh, Pennsylvania, testified (R. 448):

"Shredded Wheat to me means a national product which we are selling to the public every day and it means but one article. The purchasing public come in and ask for it and we give them Shredded Wheat, which is what they want. It has a positively established reputation and a lot of good will attached to it."

HARRY C. ROHN, of Cleveland (R. 473), complained because he had had the Kellogg product served outside of the package in a bowl upon a request for Shredded Wheat. On recross-examination he said:

"RXQ. 67. Mr. Rohn, if you went into a restaurant from now on and wanted to get this large biscuit, would it not occur to you to ask for the Niagara Falls -Shredded Wheat?

A. Well, I do not know. With me, shredded wheat

is Shredded Wheat."

FRED LEIGHTON, of Cleveland, said (R. 478):

"RXQ. 95. Mr. Leighton, it is true, is it not, that you, as a grocer, now know that there are two distinct brands of shredded wheat on the market; one made by the Kellogg Company at Battle Creek,

and the other made by the National Biscuit Company at Niagara Falls?

A. No, I know only one. There is only one Shredded

Wheat."

HARRY E. Schloesser, a grocer, of Chicago, said (R. 511):

"I think that what Frigidaire" has come to mean to electric refrigerators, Shredded Wheat has come to mean to products of that type—just as a Kodak applies to cameras and Kellogg is a special name for Corn Flakes."

ELMER R. JONES, a retail grocer of Washington, D. C., testified (R. 537):

"From my experience I would say that the name 'shredded wheat' has acquired a reputation among the purchasing public. When the purchasing public ask for Shredded Wheat, they know what they are asking for. How they know is probably not for me to say. It might be probably through advertising purposes, the same as they would ask for a certain brand of canned goods, like the Del Monte brand. They have probably tried or seen it through the advertisements, or it might be a by-word on their tongue, like when anybody asks for a cracker, they would ask for a package of Uneedas."

MICHAEL WEINSTOCK, a wholesale grocer of New York City, testified (R. 663):

"In the trade, the expression 'Shredded Wheat' has the significance of a trade name, as to a particular product of particular origin. The way I understand it, it is an item that has been named as Shredded Wheat, and the name has been registered."

George J. Born of San Francisco, a retail grocer of thirty-one years experience, says (R. 748):

"From my experience in grocery merchandising and dealings with the public, as to whether this expression Shredded Wheat has any particular associa-

<sup>\*</sup>Frigidaire is a General Motors trade name for its electric refrigerator.

tion or meaning in the minds of the general public, I think that, in most people's minds, there is only one Shredded Wheat. Nothing else will take its place. It is like Palmolive Soap or Dutch Cleanser that we sell. Those names refer to particular makes of soap and cleanser. I regard Shredded Wheat as a trade name. I guess I mean by that, if people ask for Shredded Wheat, they want Shredded Wheat only."

And again on recross-examination he says (R. 751):

"If it was put direct to me, I think I would explain that Shredded Wheat was the only Shredded Wheat. I would not use the expression that Kellogg's was another make of shredded wheat. I would not even say that shredded wheat or shredded wheat biscuit were being made by two manufacturers: one at Niagara Falls and the other at Battle Creek. I would simply tell the customer that, as far as I know, there is only one kind of Shredded Wheat on the market, the Niagara Falls product."

R. L. Wauch, operating a self-service store in Los Angeles, says (R. 850):

"Q. What have you to say about the expression Shredded Wheat? Has it acquired any definite meaning in the minds of the public, in your opinion?"

"A. Well, the word Shredded Wheat is a household word, and it really—referring, always, to the original

Shredded Wheat.

"Q. 49. When you call it a household word, do you mean by that that it has become attached to that particular product in the minds of the public?"

"A. Absolutely.

"Q. 50. Do you believe that to be the case?

"A. I do.

"Q. 51. From your thirty years' experience?

"A: Yes sir."

HENRY L. DINGEE, operating a service store in Fort Worth, Texas, said (R. 861):

"In my opinion, there is only one Shredded Wheat. When a customer comes in and asks for Shredded Wheat, that is the first think I think of, the only

thing. To me, just Shredded Wheat is the name of a product, like saying the Cadillac made by General Motors. I think Shredded Wheat is made by this Uneeda Biscuit Company, or whatever you want to call it. I regard it as a proprietary name, a trade name."

PAUL W. SIEBERT, a retail grocer for some twenty years in Dallas, Texas, stated (R. 896):

"If the Kellogg Company puts on the side of the package this little phrase which I did not notice before, in which it is called a shredded wheat product, I think it is a lie, in this way, because it is not a shredded wheat product; in my opinion; because a shredded wheat product would mean a product from this particular company, in my estimation. Shredded Wheat means a biscuit made by the Shredded Wheat Company."

HENRY F. STEEN, for many years connected with the plaintiff company and later in the grocery business at Kansas City, Missouri, testified (R. 221):

"I would say that it is fair to say, in my opinion, at least, that the term shredded wheat is entirely connected with the Niagara Falls product. I would regard it as a trade name and as the descriptive name of the original Shredded Wheat Biscuit.!"

and on cross-examination he said (R. 927):

"If I were asked whether Kellogg was manufacturing a shredded whole wheat biscuit, I believe I would say no, that they are just manufacturing an imitation of it. It is nothing else but an imitation of the original Shredded Wheat Biscuit."

He set forth on redirect-examination after a long and searching cross-examination (R. 929):

"The gist of the discussion is that I have known the original Shredded Wheat, the old name, as Shredded Wheat, for many, many years; that it

<sup>&</sup>quot;'Uneeda' is a well known trade-mark of respondent for crackers.

has acquired a reputation with the public, and that the expression shredded wheat is attached to the National product in the minds of the public. That is why I say that the Kellogg product is an imitation of it."

PAUL R. WATKINS, a grocer of Washington, D. C., said (R. 547):

"I do not think they (petitioner) have the right to call that shredded wheat. That is not shredded wheat. That is the National Biscuit Company's Shredded Wheat. That is what I think about it. I think they have a trade name, Shredded Wheat; and I do not think there should be another biscuit made that looks anything like it."

Miss Bass Evans, a demonstrator, stated (R. 648):

"It is my experience and observation that, when people call for or desire Shredded Wheat, they desire the product of a particular concern. When a person gets used to a product and it has been used for years and years, if they put something like it on the market, it is an imitation. You know it does not come up to the original product."

H. B. RICKARD, a retail grocer of Los Angeles, testified (R. 822):

"We receive occasional telephone orders for Shredded Wheat and we supply Shredded Wheat. I know the Kellogg's Whole Wheat Biscuit. We carry that. When a customer asks for Shredded Wheat Biscuit, I have never supplied the Kellogg's biscuit, unless they specially ask for Kellogg's. We always send them Shredded Wheat".

MAXINE REVNOLDS, a consumer of Dallas, Texas, testified (R. 902):

"When I ask for it, I ask for Shredded Wheat. I have in mind definitely that I expect to receive Shredded Wheat Biscuit, which is known as Shredded Wheat and is put out by the National Biscuit Company. I have never called it a National Biscuit product; but I have always taken for granted that it was their product, in asking for it. Shredded Wheat means that particular product to me."

LESTER S. GUTHRIE, in the farm machinery business at Kansas City, Missouri, said (R. 936):

"I have had occasion to purchase Shredded Wheat. I ask for Shredded Wheat and I have in mind that I would like to get the Niagara Falls brand of Shredded Wheat; but I often get the Kellogg brand of Whole Wheat, lately."

Mrs. Jessie M. Fatjo, of San Francisco, California, explained (R. 742):

"The expression Shredded Wheat represents to me the National Biscuit Shredded Wheat, which we have for breakfast."

Mrs. Emily Herron, a housewife of Cleveland, Ohio, said (R. 464):

"When I ask for a package of shredded wheat I expect to get the product made at Niagara Falls and which I have seen made."

HAROLD O. YORKE, of Detroit, a customer, stated (R. 183):

"Shredded Wheat conveys to me a biscuit made at Niagara Falls."

Louis Richard Schmidt of Washington, D. C. stated (R. 532):

"If I go into a store and ask for shredded wheat I expect to receive shredded wheat biscuit; I mean the product that is made at Niagara Falls."

Mrs. Dorothy McFarland, housewife of Los Angeles, testified (R. 783):

"When I buy it at a service store, I ask for Shredded Wheat and I expect to get the National Biscuit Company's Shredded Wheat."

ELBERT KIRKLAND, a retail grocer at San Francisco, said (R. 770):

"If anybody speaks of Shredded Wheat, I do not associate it with anything else but Uneeda. I do not believe the customers do either, from the way they

buy. When the purchasing public speak of Shredded Wheat, they think of Hneeda. By the word Uneeda they mean the Shredded Wheat made by the National Biscuit Company."

Hobart W. Mrans, purchasing agent of Matson Navigation Company in San Francisco, testifying for petitioner, said, in speaking of plaintiff's Exhibit 1 (R. 1197):

"I have known that all my life." If Shredded Wheat is mentioned, that famous Shredded Wheat Biscuit is called up in my mind. There is no question about it."

Joseph G. Cohen, a wholesale grocer of San Francisco, also testifying for petitioner, said (R. 1200):

"I would say that, even when Kellogg's was known as Kellogg's Shredded Whole Wheat, if an order came in for Shredded Wheat, the National Biscuit Company's product would be sent out on the order. That has been so before and after the Kellogg people got into this line with the biscuit."

L. P. Schmidt, operating a chain of grocery stores in San Francisco, and a witness for petitioner, said on cross-examination (R. 1212):

"I have been familiar with Shredded Wheat for a great many years, nearly as long as I can remember. It has always been known as Shredded Wheat and always looked the same as it looked today, a small-sized pillow-shaped biscuit. When I started to describe the Kellogg biscuit, in answer to Mr. Clarke's question, I started to say it was a shredded wheat biscuit. That was the first thing that came into my mind. If my customers ask for shredded wheat I give them Shredded Wheat, the product sold by the National Biscuit Company. I would not offer such a customer Kellogg's Whole Wheat Biscuit. I would consider that substitution."

Cant. Dunac, oprenting a restaurant in San Francisco, said (R. 1235):

"When I speak of shredded wheat, I have in mind that shredded wheat there, Plaintiff's Exhibit No. I, one of these pillow-shaped biscuits. That is what I mean by shredded wheat." Poseen L. Mourros, a wholesale grocer, of Detroi, Michigan, called by petitioner, testified on cross-examination (R. 1487-8):

"Having been in the glocery business since 19% I knew shredded wheat almost from the start. I have handled a lot of it. Before National took it over, we handled it very extensively all the time. It was a very well-known product, and, if anyone asked for shredded wheat, there was never any, doubt that they meant shredded wheat, like Plantiff's Exhibit 1. I would say that it is fair to say that shredded wheat, during the first twenty-serie years of this century, became a household work known throughout the country.

"XQ. 45. My question now is: You find that the Kellogg Whole Wheat finds ready substitute for

shredded wheat; do you not?

"A. Yes, that furnishes a substitute."

And again (R. 1488):

0

"I have not told them this is shredded wheat made by the Kallogg Company. We could not get by will that."

MULTON A. GALLUP, Minneapolis representative of Griggs. Cooper Company, wholesale grocers, testifying for the petitioner, said on cross-examination (R. 1885):

"XQ. 71. It has never occurred to you, probably. Mr. Gallup, that the expression shredded wheat has acquired a proprietary or trade-mark meaning, as designating the product that the Shredded Wheat Company had made for so many years, has it?

A. Yes, I think it has. That is what I say. We still call it shredded wheat biscuit, and, when they call for

shredded wheat biscuit, we sell it for that.

THE WITNESS: We sell it as the trade name designating the National's shredded wheat biscuit, because that is the only way it is listed. The other we call Whole Wheat Biscuit, although I very quickly say it is shredded wheat when I am asked."

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Harry L. Snyder, a grocer of Pittsburgh, Pennsylvania, stifying for petitioner, said on cross-examination (R. Sil):

"People have called for that product, throughout my entire experience, by the name shredded wheat, as far as I can remember. I never knew it to be called for by any other name. I would think it is a name very familiar to the public, and I would suppose it has always meant this product made at Ningara Falls. I know of no reason why it would not. It might be possible some people would not know it was made there. It means that product to the public, however, and it still means it."

The extracts herein quoted are by no means the whole stimony as to secondary significance. They are merely histrative of the substance, of proof given by accords of ersons who testified in the case.

### Appendix B

Evidence of Substitution, Passing-Off and Confusion.

Instances of Substitution Accompanied by False Representations.

Testimony of Edward E. Sweet (R. 325, 326):

I ordered a shredded wheat from the menu in the Providence Biltmore Hotel in their lunch room.

Yes, at the Providence Biltmore Hotel, in their lunch room; and a small package, such as might indicate that it was an individual package or at least two biscuits were exposed during delivery of the food; and, because I was dividing my attention between the package and a newspaper, I just automatcally removed one of the biscuits, as I always do what I receive an individual package, and started to eat it Eating two or three portions convinced me that there was some sort of change in the biscuit, so I paused in my reading long enough to examine the package more closely; and I discovered that it was not shredded wheat, but that it was a product known as Kellogg's Whole Wheat Biscuit. the waitress and, if my memory serves me right, I said to her: "This is not shredded wheat."

And she said: "What is it?"

And I said,-if I remember correctly, "This is

Kellogg's Whole Wheat Biscuit."

"Well," she said, "they have sold out to the National Biscuit Company."

#### W. A. DOYLE testified (R. 388):

Mr. Kenney and I were at breakfast in Doukse Cafe, Keene, New Hampshire. We ordered shredded wheat. A gentleman who I think was the proprietor brought a serving of Kellogg's biscuit. We objected to it and said it was not shredded wheat. It was in the package. He insisted it was shredded wheat. We went into lengthy detail about it. He also stated Kellogg had bought out Shredded Wheat Company and that that was the shredded wheat.

We did not succeed in getting anything else.

He was corroborated by Thos. R. Kenney, who stated (R. 390):

In Angust of this year I was in Doukas Cafe, Keene, New Hampshire, asked for shredded wheat, and was served Kellogg's biscuit: I fold the waiter that was not shredded wheat, was not what I wanted. He insisted it was shredded wheat, the only shredded wheat he had. To convince me it was, he told me the Kellogg Company had bought out the Shredded Wheat Company and was now putting the biscuit out in this package and in this form.

### Testimony of Mrs. Florence L. Cowles, R. 491:

I walked in the store and asked for several articles, among them Shredded Wheat. She placed a box of Kellogg's Whole Wheat on the counter and I said, "Is this Shredded Wheat?" and the lady said "Yes." I said, "I thought the Shredded Wheat had a picture of Niagara Falls on it." And she said, "Well, this comes from Niagara Falls,"—meaning the Kellogg package which she placed on the counter.

### Testimony of CLAYTON K. BRACE, R. 987:

I remember particularly Mr. Thoms having breakfast with me and three or four other men. In that case, I particularly asked the wirl if she had Shredded Wheat, the original Shredded Wheat, and she said she had. I told her I would take it. When she delivered it to me in the bowl, not in the package, it was the Kellogg product. I recall that instance, because Mr. Thoms became quite excited and called over the manager of the restaurant.

### Testimony of Samuel A. Leonard, R. 639, 640:

I recently went to the store of V. Pettrolala, Belleville, New Jersey, and said: "I would like to have a box of National Biscuit Shredded Wheat." He was standing behind the desk. In back of him there was a well-dressed fellow, Italian, and he began to look around. My son, who was with me, said he did not have any in the place. The fellow who stood on the opposite side of the desk said: "Right up there." He

said, "Oh; yes," and pulled down one of these Whole

Wheat packages.

I said, "That is not the National Biscuit, is it!" He says, "Yes." "Well," I said, "it does not say so." Well, he says, "It is Shredded Wheat." "All right," I said, "I will take a box of it."

### Testimony of Mrs. Dorothy McFarland, R. 783:

On November the twenty-first, I bought shredded wheat at Walter's Market, 1050 East Anaheim, Long Beach. I asked for Shredded Wheat and I got Kellogg's Wheat Biscuit. Plaintiff's Exhibit 174 is the

package I got at that time.

I asked the grocer for Shredded Wheat, and he gave me that package. I did not think that was the kind I wanted. It was not the kind I had been buying I asked him if it was Shredded Wheat; and he insisted it was; that it was the original Shredded Wheat; that the Kelloggs were the first people that made the Shredded Wheat and they made the Shredded Wheat, and that was what it was. So I bought it. The grocer told me that Kellogg's were the first people that made Shredded Wheat, that they made the original Shredded Wheat.

### Testimony of CLARA M. TUTT, R. 900:

Recently, I went into the store of Phipps, on the north side, a store at which I do not regularly trade, and asked for Shredded Wheat. They brought me this package. I was asked to do that by somebody connected with the National Biscuit Company. I said, "This is not the original Shredded Wheat." He said, "Oh, yes, it is." He called a manager and said, "Mr. Phipps, is that the original Shredded Wheat?" He said, "Yes." I said, "This is not what I have been buying." He said, "This is not what I have been buying." He said, "This is the original Shredded Wheat." I took it and paid for it. This happened yesterday. The box they gave me was Plaintiff's Exhibit 185. I did not even know there was a Kellogg's on the market until I saw this package.

MRS. R. K. STALCUP testified (R. 904):

I went in the store and asked him if he had some Shredded Wheat. He said, "Yes, ma'am, I do have." We both glanced at the same time up to the shelf. He said, "I have the Kellogg's shredded wheat." I said, "Is this the original shredded wheat?" He said, "Yes, ma'am." I said, "I want to be sure. I am buying this for someone else." He said, "Yes they will never know the difference. This is the original Shredded Wheat."

Testimony of Nora G. Evans, R. 651, 652:

I recently had an experience in ordering Shredded Wheat and obtaining something else. I went into a cafeteria and ordered Shredded Wheat. They brought this Whole Wheat and fixed it in the bowl, where it · looked like a long biscuit. I said, "That does not look like Shredded Wheat to me. Bring me the box. I want to see." She did not bring the box. I suppose she told a story and she did not want to get caught. After I tasted a little bit, I said "Bring another one and bring the box with it." She brought the box. I said, "That is not Shredded Wheat. That must be a new biscuit that is put out. I never saw it before." She said, "It is just the same." I said, "You are mistaken. It is not." This was at The Meadow Cafeteria, 72 Henry Street, Brooklyn. \* . \* I placed the order with the waitress. I said, "I want an order of Shredded Wheat Biscuit." She brought this Whole Wheat Biscuit. I did not know what it was at the time. She had it in a bowl. It looked just like the original Shredded Wheat. She did not bring the original container I called for. I ordered another order of it, and then she brought another container, which I have produced here Plaintiff's Exhibit 145. I ate part of one, and the other biscuit is in there. The biscuit I first had and this are the same biscuit.

(Stipulated that the biscuit produced by the witness is a Kellogg biscuit.)

#### 2. Instances of Passing Off.

Testimony of Mas. FLORIDA P. McCabe, R. 366, 367:

I needed shredded wheat and I went into the store of Fontaine, at Castle Hill, Salem, Massachusetts, about a month ago. I asked the clerk for a package of cigarettes, and he gave them to me. Then I asked for a package of shredded wheat. He handed me this package, Plaintiff's Exhibit 15, which did not look like shredded wheat to me that I have been using. I asked him if it was shredded wheat, and he said yes. I said, "It does not look like shredded wheat I have been using." He said, "It is positively the same thing, except it is a smaller biscuit." I said, "I want to make sure that, when I call for anything, I find what I want." He said, "That will be the same." I took the package.

Testimony of W. A. DOYLE, R. 552:

On the nineteents day of December, about 8:30 A. M. I went into the Lull grocery store, 410 East Dutton Streets Kalamazoo, Michigan, and asked for a package of Shredded Wheat. The grocer handed me Plaintiff's Exhibit 74. I replied, "That is not Shredded Wheat." He said, "That is shredded wheat. See the biscuits in the dish?" I took it and went out.

### LESTER S. GUTHRIE testified (R. 936):

I remember especially September 7th, in Wichita, at P. O. Weltner's, 3060 East Douglas Street, a grocery store. I bought some other groceries and asked for some Shredded Wheat Biscuit. He gave me a box of Kellogg's Whole Wheat Biscuit. I told him it was not what I wanted. He said, "That is just the same thing. One time they come marked one way; and one time they come marked another." He said it was all one and the same.

### Testimony of Elizabeth C. Barrett, R. 361:

At the Hawthorne Hotel in Salem, Massachusetts, about three weeks ago, I asked for shredded wheat, and they brought me some biscuit that looked similar to a

shredded wheat biscuit, not as large, came in a package marked Kellogg's Wheat Biscuit or something like that. I called the waitress and asked if it was shredded wheat. She said yes. There was a package with two biscuit, and I said, "This is not shredded wheat." She said, "Yes, it is." I said, "Does it say so on the package?" She said, "No. Well, it is, just the same." She did not take the package back. I finally accepted it.

#### 3. Instances of Confusion.

### R. L. WAUGH testified (R. 852, 853, 854):

My customers or one of them picked up Kellogg's Whole Wheat Biscuit off the shelf and came to my checker to pay for it. I do my own checking-out, mostly. I would say to the customer, "What do you think you have got in this package here?" She would say, "Is that not Shredded Wheat," and I would say, "No, that is not Shredded Wheat." She said, "What is this, then?" I said, "This is Kellogg's. the new product that is put out by Kellogg's." I may have told her it was Kellogg's shredded wheat. and she said, "Oh; well, that is not the package I wanted. I wanted this package here," when, probably. she thought that the Shredded Wheat Company had put in this window package. \* \* I do not want them to take that package home thinking they are taking the other package. When they bring me the mackage, it is not wrapped; it is in the basket.

I think they are more likely to find out when they get home that this package is not what they wanted, than they would in my store. When they take it off the shelf, they may think it is one thing. When they get home and think about it, they finally realize that

it is not what they intended taking. \*

I think the cellophane front in there has a lot to do with increasing sales of the Kellogg package. I would say that the cellophane front has the effect of suggesting the other, the old Shredded Wheat package. In other words, in my mind, the old Shredded Wheat package looms up as though it had a cellophane front

in it. \* \* With the Kellogg package and the National Biscuit package, I do not think they stop to look at the name. They just simply see the Shredded Wheat through the package, and they grab it and go.

### Testimony of PAUL W. SIEBERT (R. 893):

A lady came and said, "Will you sell me two packages of Shredded Wheat and give me one? They are selling them off the wagon that way." I said, "I am sure it is not Shredded Wheat." She said, "I am sure it is." So she went so far as to look on my shelf and go and look at her package and came back and apologized to me. She was getting Kellogy's and thought she was getting Shredded Wheat.

### Testimony of George Schapansky, R. 721, 722, 723:

I was on my way; it dawned on me I was to get a package of Shredded Wheat; and I walked into the store and asked for it. Mrs. Reeder met me at the door and talked to me. We conversed a few minutes. I said, "I want a package of Shredded Wheat." She told me to help myself. I reached for it, stook it down, paid for it, and walked out.

When she pointed out this package of Kellogg's to me on the shelf, there was no window on the package. This was on the shelf there just like that, and I

reached up and took it down.

All I saw was just the plate with the Shredded Wheat biscuit. I did not see the name Kellogg's. I did not even look at it, did not even pay any attention to it. After I got it down, I said, "Is that Shredded Wheat?" Then I did look at the package, and I turned it around a couple of times and walked out with it, after I had paid for it and said no more about it.

When I looked at it, it just seemed like it was just a different package all at once. To my own mind, I said, "I guess they have changed packages and changed the size of their package," never making any

statement to anybody.

### Testimony of Jessie M. Fatjo, R. 742, 743:

I asked for a package of Shredded Wheat at Miller's Station, Miller's store, which is on the road from

Cupertino to Saratoga. They gave me Kellogg's partage. It did not look quite familiar to me, so I asked the woman, "Is that Shredded Wheat?" and she said, "Yes."

This took place on November 25th, in the afternoon. I did not particularly inspect the package at the time I bought it in the store. I just glanced at it and saw a biscuit on it. I have been accustomed to seeing a biscuit on Shredded Wheat, the picture of a biscuit. I said, "Is that Shredded Wheat?" . I thought maybe they had changed their package. She said, "Yes," so I took it. When I got out in the machine, I put it in the back, and the youngsters said, "Mama, this is not the kind of Shredded Wheat we have been accustomed to getting." So I looked at it, and then I recognized it was not. That was my first knowledge that it was not Shredded Wheat. I had no idea anyone else had more or less the same package. When I looked at the package in the store, I did not read the name Kellogg on it. I just saw the biscuit, the wheat biscuit, and then I thought that is what it is.

### Mrs. Caroline Cavalter testified (R. 612):

I recently had an experience in purchasing Shredded Wheat in a store in South Norwalk on East Avenue, A. Greene's. I asked for Shredded Wheat, expecting they would give me Shredded Wheat, but they gave me Kellogg's Whole Wheat. I did not stop to think or look at it until I got home. I saw the package when it was handed to me. I was buying three or four items at the time. When I got home, I noticed it was Whole Wheat. Plaintiff's Exhibit 80 is the package. That is my only experience of that kind. I had never seen Kellogg's Whole Wheat Biscuit before. I did not open this package.

### Mrs. Grace Darling testified (R. 393):

In October of this year, I went to the Quincy Market, as I do Saturdays. As I went up the aisle, a clerk held a package out. I did not see the name but what I supposed was shedded wheat. I was out of

shedded wheat, and I wanted some, because I am never, never without it. I gave him my traveler and said, "Send it up," and thought no more about it.

Q. 13. Let me ask you this: When you say you saw what you thought was shredded wheat, do you mean that the words shredded wheat were on it?

A. No. I saw this picture there, and I supposed it was shedded wheat. I did not see the name.

#### Testimony of R. L. WAUGH, a grocer, R. 850:

Yes, occasionally we have a party who will bring up a package of Shredded Wheat, and I have asked them if they thought that was the Shredded Wheat. They said, "Is that not Shredded Wheat," and I said, "That is Kellogg's Whole Wheat Biscuit." "Oh, I thought that was Shredded Wheat," and they would point to the window package and then walk back and get the other package, and they said, "This is what I want," meaning Plaintiff's Exhibit 1.

The Witness: That has occurred several times, in connection with the package with the window in it, Plaintiff's Exhibit 168, the package of Kellogg Whole Wheat Biscuit that shows the biscuit through a cellophane window. The customers have picked that up in my store, under the impression that it was Shredded Wheat.

### Testimony of W. D. VAN ARSDALE, a grocer, R. 762:

There is one instance I can state exactly. There was a lady sent her twelve-year-old boy for a pack-of Shredded Wheat. He picked out a package of Kellogg's, with the open face. I do not know that he stopped to read it. He took it home. She cailed me on the 'phone, told me she was sending him back, that he got the wrong package. We changed it for Shredded Wheat.

I think that the cellophane opening feature on Plaintiff's Exhibit 153 is the one that would offer the most confusion, because it resembles the regular Shredded Wheat, the genuine Shredded Wheat. I think the picture of two biscuit also has a tendency to confuse to a certain extent, but not so much as the other one.

### 4. Instances of Substitution in Restaurant Sales.

#### LAWRENCE SKEWES testified (R. 520):

At Davie's Lunch, on Forty-seventh Street, Chicago, I asked for Shredded Wheat as it was listed on the menu. Two small biscuit were served to me in a dish. After I had eaten one of the biscuit I discovered it was not the original Shredded Wheat. I purchased another package to take away with me, and I put my initials on it. (The box referred to was received in evidence and marked "Plaintiff's Exhibit No. 62.")

### Testimony of HARRY C. ROHN, R, 472:

Yes, I have asked for shredded wheat and have received something else. This happened last week Saturday at Hut's restaurant. I asked for an order of shredded wheat and received Kellogg's. It was served to me in a bowl, but I happened to see the package that it came out of before it was served to me in the bowl and I said "This is not shredded wheat." And, the waitress replied, "Sure it is: Doesn't it look like it?" She also said, "That is what we serve for shredded wheat." There were two biscuits served—I ate one of them. I asked for the carton they were served in and have same with me.

### STANLEY A. MICHALAK testified (R. 499):

I often order Shredded Wheat and cream for my lunch in restaurants. Recently, at Pixley & Ehlers, a restaurant located at 68 South State Street, Chicago, I asked for a bowl of Shredtled Wheat and a cup of coffee. The counter clerk reached down under the counter (I had noticed that it had not been the National Biscuit Shredded Wheat that I had been receiving—it was a different type of package) and as he was doing that, he seemed to try to conceal something. He had his back facing me. Just as he slit open the package and was going to empty it into the bowl, I said, "Hold everything. That does not look like the thing I want:"

The clerk tipped it out in the bowl, and he said, "Sure, that is the thing." And then he tried to explain to me what the difference was. He said that was Shredded Wheat and that was the thing.

### Testimony of Joseph F. Brok, R. 701:

I, along with two other fellows who were having breakfast, ordered Shredded Wheat, in the little coffee shop right off the main lobby. I just asked for Shredded Wheat, and the package that was brought out was that particular Kellogg package, with just the top off, like Plaintiff's Exhibit 71.

I remarked to the waitress that I had ordered Shredded Wheat and that was all that came back to me. Her little comment was "This is Shredded Wheat." So I let it go at that. There was no time for arguing with her. We were in a hurry.

#### Testimony of EAR. K. BURKNER, R. 732:

When I ask for Shredded Wheat in a restaurant, it is usually served in a dish, and without the package, as a rule.

I have had experience recently in ordering Shredded Wheat in a restaurant, at Smithie's Coffee Cup, in Stockton, approximately two months ago or three; some time in the fall. I ordered Shredded Wheat, and the waitress served me with Whole Wheat Biscuit; so I called her attention to it. I said, "Hold on; you are not giving me Shredded Wheat." She said, "Oh, yes; I am." I said, "You are not. You are giving me some Whole, Wheat Biscuits." She said, "That is all we have." We sell that for Shredded Wheat right along."

## Testimony of EVELYN LOUGHLIN, R. 502:

When I order Shredded Wheat in restaurants and in stores I always ask for the Shredded Wheat that I am accustomed to having, and I expect to get it. I generally always receive what I ask for, but yesterday there was an exception. I went to the Y. M. C. A. on Chicago Avenue, to the grill, and ordered Shredded Wheat. They brought me Shredded

Wheat in a dish, and I ate it; then I asked for another package to take out with me and they brought me this package of Kellogg's.

#### Testimony of Howard P. Burke, R. 884, 885:

I have purchased Shredded Wheat at restaurants sometimes. I ask for Shredded Wheat. In one instance, when I did that, the young lady brought me a box of Kellogg's Whole Wheat Biscuit. I had asked for Shredded Wheat, so L asked her, "Is that Shredded Wheat?" She said, "Yes, ar." I looked at the box. I said, "It says 'Kellogg's Whole Wheat Biscuit." She said, "It is the same thing." I said, "Is it?" She said, "Yes, sir," and I ate it. This occurred yesterday at the Texas Hotel Coffee Shop, Fort Worth. That is the only experience of that kind I have had, to my knowledge, when I was looking for that product. I was always under the impression I was getting Shredded Wheat when I bought it.

Yesterday was the first time I was ever conscious at the time of getting Kellogg's biscuit. After getting it yesterday, I knew that I had gotten the Kellogg biscuit a number of times before but had not realized it.

### Testimony of Elmer J. Kleemann, R. 527, 528:

Last week I went into the Ennis restaurant, which is located on "F" Street, by Seventh, and ordered a portion of Shredded Wheat with bananas. After a consultation with the counter man, the waitress came to me—I was sitting at the counter—and said, "We do not have any." I said, "You do not have any what?" She said, "Bananas." "Well," I said, "I will take the Shredded Wheat with milk." She went to the rear of the restaurant, behind this same counter, and came back with two biscuit in a bowl of milk; but they neither looked like Shredded Wheat nor tasted like it to me. I asked her what she had served me. She said, "Shredded Wheat."

And I said to her, "This is not Shredded Wheat." Well, she said, "That is what we always call shredded wheat."

I said, "I would like to see the package." She said, "Oh, I have thrown the package in the

waste-basket."

'I said, "Well, I would like to see the package, any way." So she went back to the kitchen and she came back with a small squarish package that bore the name of Kellogg's Whole Wheat Biscuit.

#### 5. Opinions as to the Likelihood of Confusion.

WILLIAM J. BOHNET, a grocer of long experience, testified (R. 646):

I think, in a lot of places, they can pass off Kellogg's Whole Wheat Biscuit for Shredded Wheat Biscuit, if they have it on hand and shove it over, saying it is the same thing. Some women are shrewd buyers. They can see right away or when they get it home that it is not the same thing. I think there is a possibility of a grocer passing it off one for the other.

MICHAEL WEINSTOCK, wholesale grocer of New York City, testified (R. 664):

I would say it would be possible for a grocer to sell an unwary customer Whole Wheat for Shreddel Wheat.

E.MER R. JONES, a retail grocer of Washington, D. C., said (R. 543):

If a customer in a self-service store or a chain store, having in mind that she needed Shredded Wheat, saw that package there with the picture of the dish on it and two biscuit in the dish (Defendant's Exhibit No. 6) I would think it possible that the customer, or any average customer, would be led to pick up that package thinking it was Shredded Wheat—a lot of them would. I would say that others would ask "Is this the same as Shredded Wheat."

HENRY B. RICKARD, a Los Angeles retail grocer, testified (R. 822):

I would say that the presence of the window shows that it is a shredded wheat biscuit. It is very similar

to the other. I think Kellogg's Whole Wheat Biscuit could be sold as Shredded Wheat biscuit. I have noticed our customers pick up the Kellogg package and then "I do not believe this is what I want," and they will go back and change it, or vice-versa.

HENRY L. DINGER, a retail grocer of Fort Worth, Texas, testified (R. 862):

Plaintiff's Exhibit 161, with the window in it, is the first package of that kind I recall seeing. When I see that product back of the window, it looks to me like a package of Shredded Wheat. The package looks to me like an imitation of Shredded Wheat. I believe that, with this package on the shelf, there

might be confusion in the public mind.

I think the Kellogg package, like Plaintiff's Exhibit 161, might and would be sold as Shredded Wheat. Looking at the printing on one end, it says, "Shredded Wheat in its most delicious form," and, on the other end, "A shredded wheat product." It looks to me as if they are trying to sell it as Shredded Wheat. I think Kellogg's Whole Wheat Biscuit could be sold more readily as a shredded wheat biscuit than as a new product.

Petitioner's witness, George W. Cherenton, buyer for a grocery firm at Dallas, Texas, testified (R. 1306):

Personally, I think the window package is a factor in the sale of that biscuit. The sight of it through that wimlow has some sales appeal, I think. It looks like shredded wheat, which makes it an easier seller. It looks like shredded wheat. I think it is a shredded wheat. As I said, I can describe it no better than by calling it shredded wheat. It could be sold to a customer who asked for shredded wheat, and he would think he was getting shredded wheat.

EDWARD E. SWEET, R. 333:

"Assuming that Kellogy's Whole Wheat Biscuit is served out of the package in a restaurant without accompanying identification of the package, I think it would pass very acceptably as shredded wheat."

Mrs. IRMA COLLIFLOWER, R. 428:

"As to the shredded wheat package one could easily be misled, if in a hurry, into thinking that Kellogg's package was the Niagara Falls Shredded Wheat. Of course, if one is expecting that they may get a substitution you would be most careful to see what you were getting, whereas if you were in a hurry you might receive another package without noticing the difference until you arrived home."

### HARRY ADRIAN, R. 385:

"If I had a Kellogg's biscuit on the table outside the package, I would think it was a Shredded Wheat Biscuit. It would be hard to differentiate them without the box"

# Appendix C

List of all hotels, restaurants, lunch rooms, etc., specifically referred in testimony, showing whether Petitioner's or Respondent's product as or is served in the individual package, or outside the package,

RESPONDENT	s Witnesses.		How	SERVED
Place	Name of Witness	Record Page	In Pack- age	Out of Pack- age
enn Harris Hotel, Harrishorg, Pa	Chapman	247	. •	
reen Brier Hotel, White Sulphur Springs, Va	Chapman	250.		*
nion News Stand, Pa. Station, Wilmington, Del	Duane	301		
Providence Biltmore Hotel, Providence, R. I	Sweet Doyle	325–328 387–388		
Hawthorne Hotel, Salem, Mass	Barrett	361	•	
Ooukas Cafe, Keene, N. H	Doyle Kenney	388 390	•	
Restaurant, not identified), Burlington, Vt	Sharpley	401		
Vermont Lunch, Burlington, Vt	Thayer	405		
Montpelier Tavern, Burlington, Vt	Bradbury	407		
Dorn's Cafe, New Sherwood Hotel, Burlington, Vt	Bradbury	408, 409	•	•

RESPONDENT'S WITNESSES—(continued).

	(00)	How		
Place	Name of Witness	Record . Page	In Pack- age	
(Restaurant, not identified)	Black	439	•	
(Restaurant, not identified)	Black	439	•	
The Grayboro (near Pittsburgh)	Pialet	441		
Isaly Dairy Co. (lunch counter), Pittsburgh, Pa.	Trescher	444, 445		
(Restaurant, not identified)	Barneman	446	1.0	
Isaly Dairy Co. (lunch counter), Steubenville, O	Keeder	451		
Kresge's (lunch counter), Stenbenville, O	Keenan	452		
Sunnybright Restaurant, Cleveland, O	Cohen	458		
Harvey's Restaurant, Cleveland, O	Fisher	463.		
Huff's Restaurant, Cleveland, O	Rohn	472	\.	
(Restaurant, not identified), Cleveland, O	Pyros	479		
College Inn Cafe, Flint, Mich	Harris	482		
Victory Lunch, Detroit, Mich	Greene	489		
Cunningham's Drug Store, Detroit, Mich	Greene	489		

RESPONDENT'S WITNESSES—(continued).		inued).	How Served		
Place	Name of Witness	Record Page	In Pack- age	Out of Pack- age	
Pixley & Ehlers, Chicago, Ill	Michalak	499			
Y. M. C. A. Grill Room, Chicago, Ill	Loughlin	502		• 1	
Raklio's Restaurant, Chicago, Ill	Holmer	503	•		
Davie's Lunch, Chicago, Ill	Skewes	520		*	
Ennis Restaurant, Washington, D. C	Kleemann	527-8			
Mrs. Dixon's Restaurant, Hagerstown, Md	Schmidt	533	*		
Vanderew's Restaurant, Chambersburg, Pa	Ludwig	535	*		
(Restaurant, not identified), Baltimore, Md	Johnson	549		. •	
New Burdick Hotel, Kalamazoo, Mich	Doyle	554	,		
(Lunch room, not identified), Chicago, Ill	Doyle	557			
Waldorf Restaurant, Newark, N. J.	Fagan	635	*		
Steuer Restaurant, Hempstead, N. Y	Parnell	641	•	, cr	
(Cafeteria, not identified), New York City	Evans	651-652	12		
	. 0	.0			

RESPONDENT'S WITNESSES—(continued).

		How	
Name of Witness	Record Page	In Pack-	
	+ 1	,	
MacKay	681		
Beck	700	•	
Beck	701		
§ Beck	702		
Reynolds	902		
	/		
Beck .	702		
).			
Schapansky	715		
Schapansky	716–717	٠	
Sowles	726		
Burkner	732		
*			
Baird	735		
,			
Lierley	798	*	
Burke	884	• ,	
Hunsaker	909		
	5		
Guthrie	937	•	
	MacKay  Beck  Beck  Beck  Reynolds  Beck  Schapansky  Schapansky  Sowles  Burkner  Baird  Lierley  Burke  Hunsaker	Witness         Page           MacKay         681           Beck         700           Beck         701           Beck         702           Reynolds         902           Beck         702           Schapansky         715           Schapansky         716-717           Sowles         726           Burkner         732           Baird         735           Lierley         798           Burke         884           Hunsaker         909	

RESPONDENT'S WITH	resses—(con	unuea).	How	SERVED
Place	Name of Witness	Record Page	In Pack- age	Out of Pack- age
Restaurant, not identified), Albuquerque, N. Mex	Brace	986		
ranciscan Hotel, Albuquerque, N. Mex	Brace	986	•	
Hotel, not identified), Omaha, Neb	Brace	987		
PETITIONER	's WITNESSES			
fatson Line Steamships	Mears	1196	•	
mbassador Hotel, San Francisco, Cal.	Loughlin	1224		
Busy Bee Restaurant, San Francisco, Cal	Dubac	1233		•
Restaurant, no identified), Los Angeles, Cal	Lee	1253		
Restaurant, not identified), Long Beach, Cal	Fierstine	1256	*	
Topic Cafe, Dallas, Tex	Williams	1360		
Cafe, not identified), Dallas, Tex	Inman	1362	. •	
Y. W. C. A., Milwaukee, Wis	Tyler	1445		
Wrigley's Restaurant, Milwaukee, Wis	Benedict	1450	•	
Miller Brothers Restaurant, Detroit, Mich	Miller	1452		

Peterioner's Witnesses—(continued)			How
Place o	Name of Witness	Record Page	In Pack- age
Onondaga Hotel Cafeteria, Syracuse, N. Y	Gray	1529	
(Restaurant, not identified), Cincinnati, O	Friedman	1623 -	
Kingfish Restaurant, Cincinnati, O	King	1625	•
Ehrman's Luncheonette, Cincinnati, O	Ehrman	1628	•
(Restaurant, not identified), Pittsburgh, Pa	Harvey	1669	
Schenley Hotel, Pittsburgh, Pa	Maga	1684	
Fourth Street Cafeteria, Philadelphia, Pa	Grobel	1782	
Quality Tea Rooms Cafeteria, St. Paul, Minn	Stearns	1919	. •
Williams Cafe, Minneapolis, Minn	Williams	1922	
Paxton Hotel, Omahe, Neb	Dubois	1946	
W. O. W. Cafeteria, Omaha, Neb.	Hosman	1949	
Total Number of Places Desc Served—	ribed, in which	ch the Bi	scuit
Outside the carton 1	66 8 1		

### Appendix D

Evidence of Secondary Significance Unconsciously given by Petitioner's Counsel and Witnesses.

The following statements by sixty-eight witnesses for the petitioner are cited to demonstrate that the public habitually uses the words "Shredded Wheat" to designate respondent's product. In each instance the witness was testifying in either 1932 or 1933, when both Shredded Wheat and Kellogg's Whole Wheat Biscuit were on the market. Even Mr. Clarke, counsel for petitioner, unconsciously contributed to the proof of secondary significance as the following extract from the record (p. 1631) will show.

Mr. Clarke: This morning, in the cafeteria of the William Penn Hotel, on the long counter, was a display, including a number of cereals, each in an individual carton, and each carton being in a plate of its own.

The last two cereals on the counter were a package of shredded wheat and a package of Kellogg's Whole Wheat Biscuit.

of Mr. Vilas, and I offer in evidence the Kellogg package as a defendant's exhibit.

Mr. Clarke: And I also offer the shredded wheat

package in evidence.

Out

Pac

ACT

Mr. VILAS: Mr. Clarke's statement is accepted as a statement of fact.

We now list the statements of petitioner's witnesses.

"I thought it (the Kellogg biscuit) was quite similar to Shredded Wheat".

Mrs. Harold L. Mac Millan, R. 1208.

"It (the Kellogg biscuit) " " is a crisper biscuit than Shredded Wheat".

Thos. W. Laughlin, R. 1226.

"As far as I know, the dealer makes a little more on the Kellogg Biscuit than he does on Shredded Wheat". Lee W. Thompson, R. 1283. "We get eleven cents on shredded wheat and ter cents on Whole Wheat"

Chas. F. Florine, R, 1310, 1311.

"I sell some Shredded Wheat and some Whole Wheat Biscuit to restaurants in the large package". David H. Bergey, R. 1366.

"We bring the package of Shredded Wheat out and we bring one of the Whole Wheat Biscuit out". Roy B. Laverin, R. 1382.

"Kellogg's Whole Wheat Biscuit in our store sells at least three to one against shredded wheat". Alexander Wilson, R. 1387.

"We do not, as a rule, attempt to offer Kellogg's Whole Wheat Biscuit, or Shredded Wheat, one in preference to the other".

Leo Keil, R. 1391.

"Shredded Wheat has more of a flat flavor: but Whole Wheat has a different flavor, sort of sweet".

Mrs. O. W. Dunner, R. 1430.

"Kellogg's Whole Wheat Biscuit did not take any customers from shredded wheat that I know of".

Maurice Fishkin, R. 1436.

"We handle both Kellogg's Whole Wheat Biscuit and shredded wheat".

Mrs. Grace Hatfield, R. 1414.

"We handle Kellogg's Whole Wheat Biscuit in the individual cartons, I have ceased buying shredded wheat".

Mrs. Margaret Tyler, R. 1446.

"Both the Kellogg's biscuit and shredded wheat were on display".

Clayton Kolvoord, R. 1448.

"Shredded wheat is outselling Whole Wheat immensely".

Morris Gourwitz, R. 1455.

"Prior to that, shredded wheat out sold Kellogg's or may have been even with it".

Douglas Rumball, R. 1459.

"Since then we have not bought shredded wheat, but we have bought Kellogg's".

Mrs. Harriet Young, R. 1466.

"Prior to the time I used Kellogg's biscuit, I had been eating shredded wheat".

Chester W. Carr, R. 1468.

"Then I saw the Kellogg product on a shelf, tried it, and liked it better. Since then, I have not bought any shredded wheat".

Mrs. Marguerite Brown, A. 1471.

"I would expect to have some former users of shredded wheat among the users of our Kellegg's Whole Wheat Biscuit".

Frank W. Mahan, R. 1475.

"I have ceased buying shredded wheat and turned over to Kellogg's biscuit".

Mrs. Helen Waugh, R. 1482.

"So, from then on, I became a user of the Kellogg product. I am no longer a user of shredded wheat". Mrs. Mabel Poccek, R. 1483.

"At that time we tried to substitute Kellogg's Whole Wheat Biscuit for shredded wheat".

Jos. L. Molitor, R. 1487.

"I will sell three of shredded wheat to one of Kellogg's biscuit".

C. C. Braunhardt, R. 1494, 1495.

"We have, for some time, sold Kellogg's a cent cheaper than shredded wheat". Chas. E. Denison, R. 1500.

"Nevertheless, in this instance, we have both Shredded Wheat and Kellogg's biscuit".

Burton A. Miller, R. 1506.

"I think there is no doubt about the Kellogg product having gotton some of the trade that shredded wheat formerly had".

Arthur J. Twentyman, R. 1511.

"Some of my customers are now buying Kellogg's instead of shredded wheat".

John A. De Mallie, R. 1524.

"We use more shredded wheat than Whole Wheat Biscuit".

William J. Gray, R. 1530.

"Whole Wheat Biscuit and shredded wheat encounter competition of other cereal products".

Jos. T. Lewis, R. 1534.

"I think our sale of Kellogg's is more than of shredded wheat".

Robert H. Moses, R. 1548.

"It is natural to assume that we have converted some over from shredded wheat to Kellogg's Whole Wheat Biscuit".

Clarence P. Peterson, R. 1558.

"We sell about three-quarters as much Whole Wheat as we do shredded wheat".

Norbert Thiemann, R. 1571.

"We sell five to six cases a month of Whole Wheat Biscuit to one of shredded wheat in my store". Nicholas Diehl, R. 1576.

"At present I am using Kellogg's Whole Wheat Biscuit instead of shredded wheat".

Mrs. Vera Walters, R. 1604.

"After I started buying Kellogg's biscuit I did not go back to shredded wheat".

Mrs. Lillian Saur, R. 1606.

"Before I picked up Kellogg's biscuit, I bought shredded wheat for my husband".

Mrs. Maude Dedrich, R. 1607.

"I used Shredded Wheat before I used Kellogg's biscuit".

Mrs. Luella Kuhr, R. 1610.

'Three or four months ago, the pamphlet he sent me said it was new Whole Wheat Biscuit and smaller in size than shredded wheat".

Mrs. Sarah Owens, R. 1613.

"We sell Kellogg's biscuit for ten cents and get eleven cents for shredded wheat".

Nat. C. Reis, R. 1616.

"To a large extent Whole Wheat Biscuit has forged ahead of shredded wheat in our store".

Wm. M. Stephens, R. 1621.

"Before I carried Whole Wheat Biscuit I had shredded wheat, in large packages".

Sam J. Friedman, R. 1623.

"Kellogg's Whole Wheat Biscuit is the far superior seller my customers ask for it by name, as Kellogg's Whole Wheat Biscuit. If he wants shredded wheat, we give him shredded wheat".

Jennings Atkins, R. 1629.

"We sell shredded wheat at twelve cents and Kellogg's Biscuit at ten".

C. B. Trumiek, R. 1655.

"We get nine cents for shredded wheat and ten cents for Kellogg's Whole Wheat Biscuit". Albert T. Tomsko, R. 1674.

"Kellogg's Whole Wheat Biscuit has been outselling shredded wheat for probably the last six months". Jos. F. Maga, R. 1685.

"I sell shredded wheat for twelve cents and Whole Wheat for ten".

Harry Farber, R. 1691.

"I got a sample of Kellogg's Whole Wheat Biscuit a few months ago and thought I liked it better than shredded wheat".

Mrs. Ada White, R. 1697.

"Kellogy's biscuit has taken the place of shredded wheat in our household".

Mrs. W. Clotworthy, R. 1700.

"I prefer to use Kellogg's Whole Wheat Biscuit, and so do my grandchildren. 'I used to give them shredded wheat".

Mrs. Elizabeth Amann, R. 1703.

"After we got this sample, I bought Kellogy's and now I buy that instead of shredded wheat". Mrs. Betsy James, R. 1734.

"We have used Kellogg's Whole Wheat Biscuit to supplant shredded wheat in our stores". Harry Mazman, R. 1747.

I have not had a package of shredded wheat in the house since I first tried Kellogg's Biscuit'.

A. B. Craft, R. 1772.

"Ever since that time I have used Kellogg's biscuit instead of shredded wheat".

Mrs. Wm. T. Wescott, R. 1781.

"Kellogg's has taken the place of shredded wheat in my household".

Mrs. Wm. C. Stokes, R. 1785.

"I switched from shredded wheat to Kellogg's bis-cuit".

Mrs. Walter Grimm, R. 1787.

"Since then I have used Kellogg's biscuit and have never used any more shredded wheat". Mrs. Edgar F. Chew, R. 1807.

"I used to get shredded wheat for the summer. He likes the Kellogg's Whole Wheat better. He does not want the shredded wheat now."

Mrs. F. M. Shollengerger, R. 1809, 1810.

"We have eaten Shredded Wheat when the grocer was out of Kellogg's.

Wm. W. Shaw, R. 1812.

"I could not say whether they sell more of Kellogy's biscuit than Shredded Wheat". Frederick Hall, R. 1822.

"I would say shredded wheat sells more than Kellogg's Whole Wheat".

Wm. E. Skellenger, R. 1827.

"Many of them used shredded wheat and are now using Kellogg's Whole Wheat Biscuit through my effort".

Clarence A. Morrison, R. 1838.

"70 percent, of the people that formerly used shredded wheat are now using Kellogg's Whole Wheat Biscuit".

Geo. W. Moyer, R. 1852.

"I made a purchase of shredded wheat when they did not have the Whole Wheat".

Mrs. Wm. Boyer, R. 1853.

"I would say my house sells considerably more shredded wheat than it does Keilogg's Whole Wheat Biscuit".

Clifford F. Guyer, R. 1897.

"The customers usually call them shredded wheat and Kellogg's Whole Wheat Biscuit". Jos. E. Kroemer, R. 1917.

"Since then I have not ordered any more shredded wheat, but have used Kellogg's Whole Wheat Biscuit". Mrs. Edith M. Williams, R. 1923.

"We swung to Kellogg's and bought no more shredded wheat since".

Chas.; L. Thompson, R. 1945.

"There have been times when I have been out of shredded wheat and also times when I have been out of Kellogg's biscuit".

B. F. Hosman, R. 1949.

#### Appendix E

#### Section 5 of the Trade Mark Act of 1905. (15 U. S. C. A. 85)

United States Code, Title 15, Section 85 (Section 5 of the Trade Mark Act of 1905):

- "Sec. 85. Trade marks which may be registered. No mark by which the goods of the owner of the mark may be distinguished from other goods of the same class shall be refused registration as a trade mark on account of the nature of such mark unless such mark—
- "(a) Consists of or comprises immoral or scandalous matter.
- "(b) Consists of or comprises the flag or coat of arms or other insignia of the United States or any simulation thereof, or of any State or municipality or of any foreign nation, or of any design or picture that has been or may hereafter be adopted by any fraternal society as its emblem, or of any name, distinguishing mark, character, emblem, colors, flag, or banner adopted by any institution, organization, club, or society which was incorporated in any State in the United States prior to the date of the adoption and use by the applicant: Provided, That said name, distinguishing mark, character, emblem, colors, flag, or banner was adopted and publicly used by said institution, organization, club, or society prior to the date of adoption and use by the applicant; Provided, That trade marks which are identical with a registered or known trade mark owned and in use by another and appropriated to merchandise of the same descriptive properties, or which so nearly resemble a registered or known trade mark owned and in use by another and appropriated to merchandise of the same descriptive properties as to be likely to cause confusion or mistake in the mind of the public or to deceive purchasers shall not be registered: Provided, That no mark which consists merely in the name of an individual, firm, corporation, or association not written, printed, impressed, or woven in some particular or distinctive manner, or in association with a portrait of the individual, or merely in words or devices which are descriptive of the goods with which they are used, or of the character or quality of such goods, or

merely a geographical name or term, shall be registered under the terms of this subdivision of this chapter: Provided further, That no portrait of a living individual may be registered as a trade mark except by the consent of such individual, evidenced by an instrument in writing, nor may the portrait of any deceased President of the United States be registered during the life of his widow, if any, except by the consent of the widow evidenced in such manner: And provided further, That nothing herein shall prevent the registration of any mark used by the applicant or his predecessors, or by those from whom title to the mark is derived, in commerce with foreign nations or among the several States or with Indian tribes, which was in actual and exclusive use as a trade mark of the applicant, or his predecessors from whom he derived title, for ten years next preceding February 20, 1905: Provided further, That nothing herein shall prevent the registration of a trade mark otherwise registrable because of its being the name of the applicant or a portion thereof. And if any person or corporation shall have so registered a mark upon the ground of said use for ten years preceding February 20, 1905, as to certain articles or classes of articles to which said mark shall have been applied for said period, and shall have thereafter and subsequently extended his business so as to include other articles not manufactured by said applicant for ten years next preceding February 20, 1905, nothing herein shall prevent the registration of said trade mark in the additional classes to which said new additional articles manufactured by said person or corporation shall apply, after said trade mark has been used on said article in interstate or foreign commerce or with the Indian tribes for at least one year, provided another person or corporation has not adopted and used previously to its adoption and use by the proposed registrant, and for more than one year such trade mark or one so similar as to be likely to deceive in such additional class or classes."

#### Appendix F

The Judgment of Mr. Justice Bennett.

#### IN THE HIGH COURT OF JUSTICE CHANGERY DIVISION

Royal Courts of Justice Tuesday, 21st December, 1937.

Before
Mr. Justice Bennett.

IN THE MATTER OF THE TRADE MARKS ACTS, 1905 to 1919

#### and

IN THE MATTER OF TRADE MARK No. 500,671 registered in the name of the Shredded Wheat Company, Ltd. in Class 42.

#### JUDGMENT

Mr. Justice Bennett: The application before me is an originating motion issued on the 20th February, 1936, asking for an Order to rectify the Register of Trade Marks by expunging therefrom Trade Mark No. 500,671, registered in the name of the Respondents, the Shredded Wheat Co. Ltd. in class 42.

The mark consists of the words "Shredded Wheat?' and it was entered in class 42 in respect of biscuits or crackers made from wheat. The mark was registered on the 5th March, 1929.

The Applicants are an English limited company, the

Kellogg Company of Great Britain Ltd.

The relevant facts are as follows: in the year 1895 a Mr. Perky, a citizen of the United States of America, in-

vented a process for the making of bread or food from whole wheat, and machinery for the production of bread or food made in accordance with his process. For this invention he applied for and obtained a grant of letters patent, the letters patent being dated 15th October, 1895, and numbered 19,368 of 1895. Perky describes his process at line 15 of page 1 of his Complete Specification in the following terms: "The object of the invention is the economic production of a cereal food or bread which will be wholesome, inviting in appearance, and palatable; such production being accomplished without the addition of injurious properties or compounds and without taking from the grain any of the beneficial qualities provided by nature, and presenting the same in convenient form for service as a superior article of food, without the aid of experts or skilled labour now required to produce bread. The usual methods practised in the manufacture of flour, and the resultant bread therefrom, are such as to detract from the natural and healthful properties possessed by the grain in its original state, while the addition of leavening or raising material; to render the bread light is also detrimental and the entire methodo consumes a large amount of time and labour. According to the improved method which I am now about to describe, of preparing grain food, the wheat or other cereal is taken in berry form, and after being cleaned and thoroughly washed. is boiled for about one hour, the grain still remaining in berry form at the close of this operation. The boiling in addition to cooking the grain thoroughly removes therefrom the extreme outer silicious coating and adherent extraneous matter, and also destroys all insect life and removes the traces thereof. Before removal from the boiler, the grain is seasoned with salt. The wheat, still in grain or berry form, is, nevertheless, just after the boiling, quite soft and its interior or starchy portion especially, is watery. It can be easily mashed between the finger and thumb, and is not in condition for proper compression until its inner and outer portions are brought more upon an equality in point of consistency. To which end, the grain being removed from the boiler, is allowed to dry for some hours, from 12 to 20 hours being usually sufficient, until the interior of the berry has, from the loss of some of its water, become more consistent.

grain should be pretty constantly stirred or agitated during this part of the process, to hasten the drying out action, and to prevent incipient fermentation. I prefer, therefore, to dry out the grain in rotating wire-cloth barrels or cage tumblers, as hereinafter described. The berries should now have sufficient interior consistency to enable their outer and interior portions to be effectively incorporated with each other, such incorporation being accomplished by passing the grain between compression rollers, one or both of which is provided with a series of fine circumferential grooves, whereby the berries are mashed and their outer bran coats, gluten layers, and starchy interior portions thoroughly incorporated together and forced into the grooves of the roller or rollers, whence the resultant food is discharged by means of a comb or 'scrapper in light, porous and tender threads or filaments into a pan or other receptacle, or upon a moving receiver whereby they may be disposed in layers. The food as discharged from the rolls is ready for use without further cooking, or it can be shaped for baking in various ways. The food presented is a purely cereal product, and all the parts of the berry are given to the consumer in attractive form. No chemical change is set up therein by the use of ferments or other foreign ingredients, and the percentage of water in the food is much less than m ordinary bread. The article as produced is . food or bread composed of superposed or massed layers or deposits of comparatively dry, externally rough, porous sinuous threads or filaments of cooked whole wheat, containing intermixed the gran, starch and gluten of the entire berry, and which is absolutely free from leavening or raising material or their products".

The Specification then proceeds to describe the machinery to produce the bread or food, and by his claims in the Specification Perky claims as follows: 'A food or bread composed of superposed or massed layers or deposits of comparatively dry, externally rough, porous sinuous threads or filaments of cooked whole wheat containing intermixed the bran, starch and gluten of the entire berry and which is free from leavening or raising material or other products. (2) The process of reducing cereals for food, consisting, first, in cooking the grain with seasoning material, after it has been thoroughly

cleaned, without destroying the whole berry form, second, partially drying the grain with agitation until its interior and exterior portions are of substantially the same consistency and finally, compressing the grain to intimately commingle or incorporate together the outer or bran coats, gluten layers and starchy, interior portions in the form of porous, rough filaments or threads, substantially as specified. (3) Apparatus for the preparation of cereals for food, consisting of a boiler, its rotating mechanism, holding cages or tumblers to be rotated in said boiler, drying frames adapted to receive said cages and rotate the same, and means for transferring the cages from the boiler to the drying frames, together with a reducing machine for reducing the cooked and dried grain to filamentous or thread-like form, substantially as specified".

It is to be noticed that Perky in his Specification gives no name to the food produced by his process. about 1895 a company was incorporated under the laws of the State of Colorado in the United States of America under the name of the Cereal Machine Co., and this company-started to manufacture in the United States of . America biscuits from the threads or filaments of whole wheat made in accordance with the process described in Perky's Specification and by the machinery Perky had The biscuits were made by collecting together a suitable number of the threads of wheat made in accordance with Perky's process and cutting the mass of threads so put together into lengths of 3 or 4 ins. This mass of threads when cut took the shape of a small pillow. This small pillow was then baked and became a kind of brown biscuit. Biscuit so made in the United States of America were imported into this country and sold here by a partnership firm of Ingersoll & Melhuish from about the year 1896 until December, 1908. The biscuits were sold as "Shredded Wheat" not as "Shredded Wheat biscuits". In December, 1908, the Respondent Company was formed, and they took over the business of Ingersoll & Melhuish, and from December, 1908, until the end of 1925 the Respondent Company imported to and sold in this country. the biscuits made in the United States of America in the way I have described. They also sold the biscuits under the name "Shredded Wheat". At the end of 1925 a change took place. The Respondent Company erected at

Welwyn Garden City a large factory, and from some date early in 1926 the Respondent Company had made the biscuits in this factory and sold them as "Shredded Wheat". If do not think it is relevant, but it is nevertheless the fact that since the formation of the Respondent Company their share capital has been held by a company formed under the laws of the State of New York, and called the Shredded Wheat Co. Since 1929 the whole of the share capital of the Shredded Wheat Co. has been held by another New York Company named the National Biscuit Co.

The evidence is to the effect that since 1896 biscuits in all respects similar to those now made by the Respondent Company have been sold under the name of "Shredded Wheat". These biscuits have always been made in the same way. In the making of them the process protected by Perky's Letters Patent of 1895, and by the machinery protected by the same Letters Patent, have been used. The evidence is that at all times the biscuits have been sold in cartons, each carton containing 12 biscuits, and that on the cartons the words "Shredded Wheat" have been prominently displayed on at least two sides. Exhibit "J.U.5" is a specimen of the carton now in use. The evidence was to the effect that since 1926 the cartons have been in this form and have had printed on them substantially the same wording and the same picture. The trade in the biscuits in this country has been steadily growing year by year since 1925. In the year 1925 the Respondents sold 236,205 cases of biscuits at a value of £212,584.10s.0d. In the year 1935 they sold 702,422 cases of a value of £632,179.16s.0d. As each case contains 36 cartons, and each carton contains 12 biscuits, it is plain that the sales have been large, and the evidence shows that they have been widespread throughout England and the South of Scotland. The actual number of cartons sold in 1935 was over 25,000,000, containing over 303,000,000 biscuits. In 1929, the year in which the trade mark sought to be expunged was registered, the number of cartons of biscuits sold by the Respondents was over 15,500,000. Between 1925 and 1935 the Respondents had spent large sums of money in advertising their biscuits. In 1925 the sum spent was, in round figures, £48,000; in 1929 it was £72,000; and in 1935 it was £115,000. All these figures appear in detail in an affidavit sworn by Mr. Gray, the managing director of the Respondents, on the 1st July, 1936. In paragraph 11 of this affidavit Mr. Gray, referring to the Respondents' advertisements, says as follows: "In all our advertising material, the trade mark 'Shredded Wheat' is prominently displayed and throughout the whole period such advertising has been devoted to making the name 'Shredded Wheat' as prominent as possible and identifying it with the product of the Respondents'. As I have already stated, the Respondents' mark was registered on the 5th March, 1929, and the motion to expunge it was launched on the 25th February, 1936.

The Applicants are the Kellogg Company of Great Britain Ltd. The Kellogg Company of Great Britain Ltd. are an English limited company. The whole of their share capital is held by a company incorporated in the United States of America with the name of the Kellogg Company. The Kellogg Company are keen business competitors in the United States of America and Canada of the National

Biscuit Co. of New York.

The Applicants assigned a number of grounds for asking for the Order of the Court to expunge the Respondents' trade mark from the Register. These are annexed to the notice of motion and read as follows: "(1). The entry of the said trade mark on the Register was made without sufficient cause and the said trade mark wrongly remains on the Register. (2) The said trade mark was at the date of registration and still is wholly descriptive of the goods in respect of which it is registered and registration was effected contrary to the provisions of Section 9 of the Trade Marks Act 1905. (3) The said trade mark was not at the date of registration and never has been a distinctive trade mark or a mark adapted in fact or in law to distinguish the goods of the registered proprietors from those of other persons. (4) The said trade mark was not at the date of registration and never has been a 'trade mark' within the meaning of the definition in Section 3 of the Trade Marks Act 1905. (5) The said trade mark was at the date of registration and still is the name of the article in respect of which it has been used by the registered proprietors and the said trade mark has been consistently used by the registered proprietors, both prior to and since the date of registration, as the name of the

cereal product manufactured by them and the said trade mark was at the date of registration and still is incapable of registration under the provisions of the Trade Marks Acts 1905-1919. (6) The said trade mark is the name or only practicable name of an article or substance manufactured under letters patent which have expired or determined. (7) The words 'Shredded Wheat' were first applied to describe a new article of food and have ever since been used as descriptive of such food. (8) The said trade mark, if used on a wheat product which has not been shredded, would at the date of registration and still be calculated to deceive. The said trade mark accordingly offended and still offends against the provisions of Sec-

tion 11 of the Trade Marks Act 1905".

The first question argued was that the words registered as a trade mark were not and never had been a trade mark within the meaning of Section 3 of the Trade Marks . Act 1905. The relevant words of the section are: "A 'trade mark' shall mean a mark used or proposed to be used upon or in connection with goods for the purpose of indicating that they are the goods of the proprietor of such trade mark by virtue of manufacture, selection, certification, dealing with, or offering for sale". The argument that the words registered were not and never had been a trade mark within the meaning of the section was linked up and associated with the objection that the words wer; at the date of registration and still are the name of the article in respect of which it had been used by the Respondents, and with the objection that the words "Shredded Wheat" were first used to describe a new article of food, and have ever since been used to describe The argument was put in this way: first it was said that the biscuits in connection with which the mark was registered were made in accordince with the invention comprised in Perky's specification, and were new patented articles; secondly, that to these new patented articles the Respondents' predecessors in trade gave me name "Shreddea Wheat"; thirdly, that when Perky's Patent expired in October of 1909 and the biscuits continued to be sold under the name of Shredded Wheat, the name was being used merely to describe the article being sold and not in any way to indicate that the goods to which the words were applied were manufactured by the Respondents, or by those who had preceded them as the manufacturers thereof; and lastly, that from October, 1909, down to the date when the trade mark was registered, the words were always used merely to describe the article sold, and never to indicate that the article had been made by the Respondents or their predecessors in its manufacture. The argument was to some extent based on the authority of the decision of Mr. Justice Fry in the Linoleum case. Linoleum Manufacturing Co. v. Nairn (7 Chancery Division,

p. 834).

In my view of the facts proved in this case the fallacy lies in the assertion as a matter of fact that the biscuit now made and sold by the Respondents and made and sold by their predecessors is the new article of food for which Perky obtained his Letters Patent. was limited in its claims to a bread or food made in accordance with the process as described in the specification I have just read, and to a process for mashing cooked whole grains of wheat into a mass, and then converting the mass into threads or filaments. The biseuits which the Respondents and their predecessors have been selling since 1896 have no doubt in them the food made in accordance with Perky's specification, but that food has been subjected to further processes, namely, shaping, cutting and baking, never covered by Perky's specification. No doubt the biscuits could not have been made without infringing Perky's Letters Patent whilst they were in force, but they are not the food described by Perky in his specification.

I apprehend that the real question of fact to be determined for the purpose of deciding the first question argued is whether in 1929 when the mark was registered the words "Shredded Wheat" merely meant an article made in accordance with Perky's specification, or whether they meant an article made by the Respondents. There is not a shred of evidence to support the argument that the words meant or were understood by any one to mean that the article to which they were applied was an article made in accordance with Perky's specification. To my mind the evidence afforded by a consideration of the advertisements put out by the Respondents, in which the vords "Shredded Wheat" have always been the most rominent feature, and of the cartons and the wording

upon them, and in particular of the use thereon of the words "Shredded Wheat" is conclusive that the words "Shredded Wheat" have, since the beginning of 1926 been used by the Respondents for the purpose of indicating that the biscuits in connection with which the words have been used were manufactured by the Respondents at their

Welwyn Garden City Factory.

This conclusion leads up to the second, and I think the main question argued, namely, that the words had reference to the character of the goods, had never been distinctive of the Respondents' biscuit, and therefore were not registrable as a trade mark. The words have direct reference to the character of the goods in connection with which they are used as a mark, and therefore the require ments of sub-section (5) of Section 9 of the Trade Marks Act of 1905, as amended by the Act of 1919, must be satisfied if the words are to be allowed to remain on the Section 9 of the Act, as amended, reads as "A registrable trade mark must contain or consist of at least one of the following essential particulars: (1) The name of a company, individual, or firm r.presented in a special or particular manner; (2) The signature of the Applicant for registration or some predecessor in his business; (3) An invented word or invented words: (4) A word words having no direct reference to the character or quality of the goods, and not being according to its ordinary signification a geographical name or a surname; (5) Any other distinctive mark, but a name, signature, or word or words, other than as fall within the descriptions in the above paragraphs (1), (2), (3), and (4), shall not be registrable under the provisions of this Section except on evidence of its distinctiveness. . . . For the purposes of this section 'distinctive' shall mean adapted to distinguish the goods of the proprietor of the trade mark from those of other In determining whether a trade mark is so adapted, the Tribunal may, in the case of a trade mark in actual use, take into consideration the extent to which such user has rendered such trade mark in fact distine. tive for the goods with respect to which it is registered or proposed to be registered". Since the registered trade mark "Shredded Wheat" has, in my judgments a direct reference to the character of the goods, it could only have been put upon the Register upon evidence of

its distinctiveness, and the only question to be determined, I think, is whether the Court is satisfied upon the evidence that the mark was truly distinctive in the sense

in which that word is used in the section.

The principles by which a Court has to be guided have been laid down by Lord Justice Fletcher Moulton in the Perfection Soap case (26 Reports of Patent Cases at page 856). The principles he laid down have never been questioned, and I propose to be guided entirely by the principles as he states them. The passage in which the Lord Justice states the principles by which I propose to guide myself begins at line 20 on page 857 of the report, and reads as follows: "Much of the argument before us on the part of the Opponents and the Board of Trade was based on an assumption that there is a natural and innate antagonism between distinctive and descriptive as applied to words, and that if you can show that a word is descriptive you have proved that it cannot be distinctive. To my mind this is a fallacy. Descriptive names may be distinctive, and vice versa. No class of words are more directly and intentionally distinctive than proper names, and yet originally they were usually, if not invariably, descriptive in all languages. They still are so among savage peoples, and although among civilised nations the original significations of proper names are not remembered, or regarded, we see that the natural tendency to use descriptive words as names still exists since nick-names-the only names that are now invented-are usually descriptive. There is therefore no natural or necessary incompatibility between distinctiveness and descriptiveness in the case of words used as trade marks. The notion that there is such an incompatibility is confined to lawyers, and is, in my opinion, due to the influence of the earlier Trade Marks Acts. By these Acts, which are now repealed, the fact that words were descriptive of the goods was fatal to their registration as Trade Marks, and thus becoming in the eye of the law distinctive of the goods of a particular maker. But the question whether a word is or is not capable of becoming distinctive of the goods of a particular caker is a question of fact, and is not determined by its being or not being descriptive. The law has never refused to recognize that this is the case, or to give protection to descriptive trade marks when once duly estab-

lished in fact, although—except in the case of old marksthey refused registration, and left the owners to obtain protection in another form of action. This is now changed. and under the provisions of the present Act the Court clearly has power to allow descriptive words to be registered, if a case on the merits is proved before it sufficiently strong to induce it to do so. The language of Section 9, paragraph 5, puts this beyond doubt, but if any doubt upon the point could remain it would be set at rest by the language of Section 44 which provided that: registration under this Act shall interfere with the use by any person of any bona fide description of the character or quality of his goods'; clearly indicating that a registered trade mark may have as its essential part words capable of being used descriptively. Having thus estat'ished the jurisdiction of the Court to permit the registration of words having a direct reference to the character and quality of the goods as well as geographical terms it remains to consider the principles on which this jurisdiction should be exercised. Nothing that I have said must be taken to imply that I consider the effect of paragraph 5 to be to leave the matter at large so that it is indifferent for the purposes of registration whether a word is within the classes specified in 3 and 4 or not. On the contrary, I am of opinion that the fact, that the legislature has required in these cases a preliminary permission to, proceed, evidences that it intends the excepted cases to be carefully considered on their merits before they are pronounced to be eligible to obtain the privileges of registration. The tribunal before whom is brought an application to register a word under paragraph 5 is entitled to regard the word as prima facie unsuitable by reason of its teing outside the specified classes, and it is for the applicant to show that it is proper to be registered. This he may do by arguments based on the word itself and the nature of the goods with respect to which it is sought to be registered, as I have already indicated in the case of geographical terms. The exact issue is formulated in the paragraph, and if the tribunal is of opinion that the nature of the word is suchthat it is adapted to distinguish those particular goods of the trader from those of other persons it will be its duty-in the absence of special circumstances-to allow the registration to proceed. But the applicant is not

confined to arguments drawn from the words itself. may support his application, in the case of a mark already in use, by showing that by user the mark has, in fact, become more or less completely identified with the goods by having been continuously used in connection therewith, and the statute expressly provides that the Court may take this into consideration for the purposes of its decision. To my mind this provision can bear but one interpreta-It recognises that distinctiveness-that is, being adapted, to distinguish the goods from those of other traders—is not necessarily an innate quality of the word. It may be acquired. There may be cases in which the Court might say: 'The word is descriptive of the goods, and cannot be distinctive solely of your make of those goods'. The Applicant may (if he can) reply thereto: 'I will show that it can become distinctive of any make of those goods by showing that it has actually become so either generally or in a particular market'. To use a phrase suggested by Lord Justice Farwell during the argument, the reply is of the type of Solviture ambulando. (It can denote my goods because it actually does now). The extent to which the Court will require the proof of this acquired distinctiveness to go will depend on the nature of the case".

He lays down the law first that words which have a direct reference to the character of the goods are registrable; secondly that such words are prima facie unsuitable; thirdly that it is for those who seek to have them registered to show that it is proper that they should be registered; and lastly that if the Court is of opinion that the nature of the words is such that they are adapted to distinguish those particular goods of the trader from those of other persons it will be its duty to allow registration.

The evidence in the present case is really all one way. The biscuits in respect of which the mark was registered in March, 1925, have been sold in this country since 1896, and have throughout that period been linked with the Respondents or their predecessors in business by the words "Shredded Wheat". In 1929 the sales were large and widespread throughout England and the South of Scotland. As I have already said over 15,500,000 cartons were sold in that year and they contained over 156,000,000 biscuits: \$72,000 was spent in advertising the Respondents' product in that year, and the principal feature of the advertise-

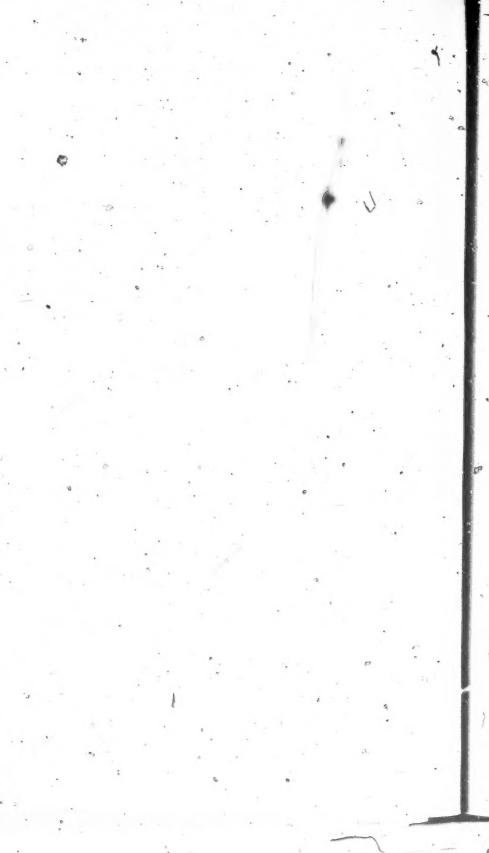
ments was the trade mark "Shredded Wheat", not merely as the Applicants have contended to describe what was sold, but as a trade mark. A very large number of persons trading or living in different parts of England and the South of Scotland made affidavits, some in support of the Applicants' case and some in support of the Respondents' case. The Deponents included persons engaged in the wholesale trade, persons engaged in the retail trade, consumers and housekeepers. Some of the deponents were cross-examined. The effect of the evidence is clear and establishes beyond all question the following facts: (1) That a wholesaler asked to supply Shredded Wheat supplies as a matter of course the biscuits made by the Respondents, and orders them as a matter of course from the Respondents. To the wholesaler "Shredded Wheat" neans the pillow shaped biscuit made by the Responden and nothing else. (2) That the retailer, when he needs supplies of the Respondents' biscuits, places with his wholesaler an order for Shredded Wheat. He expects to get on giving such an order the Respondents' biscuits. When he is asked, either in his shop or over the telephone, for Shredded Wheat, he always supplies the Respondents' biscuits, knowing that it is the Respondents' biscuits that he is being asked to supply. (3) All the consumers when they ask for Shredded Wheat, and that is all they do ask for, desire when they ask for Shredded Wheat to get the Respondents' biscuits and nothing else. All the housekeepers when they speak of Shredded Wheat mean the biscuit made by the Respondents. In fact the evidence in my judgment establishes that Shredded Wheat is as much a household word as Boyril or Oxo or Hovis. Every trader knows it to mean the Respondents' biscuits, and in every household in which they are eaten the biscuits are known as Shredded Wheat, and known by that name as being of the Respondents' manufacture.

In the course of the years that have elapsed since Ingersoll & Melhuish started the sale of this Shredded Wheat Biscuit in this country an attempt has been made to put upon the English market a whole wheat biscuit made from threads of whole mashed wheat. This biscuit had the name of "Muffets", but there does not seem to have been a great demand for it. At any rate, it was, as one of the witnesses said, not a good seller. The evidence of the Respondents satisfied me that the words "Shredded

Wheat" although they had reference to the character of their goods, had in fact become distinctive of them. I was also satisfied that if there were today to be put on the market similar goods made by another manufacturer which might be called Shredded Wheat passing-off would not be merely possible but probable, particularly in hotels and boarding houses, where the customer never sees the carton or package from which the biscuit offered to him has been taken.

For these reasons I hold that the mark was properly put upon the register and that the motion to expunge it fails.

In the course of the argument it was suggested that the provisions of Section 11 of the Trade Marks Act of 1905 made the registration unlawful because the mark might be used in connection with biscuits or crackers not made of wheat. This, of course, is true if the Respondents were fraudulently minded. But the argument would apply to any trade mark which had reference to the character of the goods in connection with which it was used, and no such mark could ever be registered because the proprietor of it might misuse it. But sub-section (5) of Section 9 recognises that such a mark is registrable. In the absence of any evidence of the mark ever having been used so as to deceive or of any threat so to use it, I do not think that I ought to order the mark to be removed, merely because. of the suggestion of a possible misuse of it. I dismiss the motion with costs.



### ILLUSTRATIONS

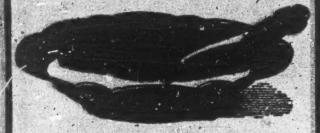
(Reproduction of cartons referred to in this brief)

## CICCIBLES

MET WEIGHT OF CONTENTS, 12 OUNCES

## SHREDDED

CTRADE MARK



COPPOSITE VALLE OF THE DESCRIPTION WHENT SOMEON

## WHEAT

"IT'S ALL IN THE SHREDS"

## How to Serve Shredded Wheat

Shredded Wheat is made of the whole wheat and is made digestible by steam-cooking, shredding and baking.

Contains all the elements necessary for building, nourishing and sustaining the human body.

Shredded Wheat is easily digested but not predigested.

Especially beneficial for those who suffer from indigestion, constipation and kindred complaints.

The crispness of its shreds promotes thorough mastication, which is the first process in the digestion of all food. For breakfast heat the Biscuit in the oven to restore crispness, then pour hot or cold milk over it saiding a little cream. East or swesten to said the tasts.

Or dip the Biscuit in milk, drain and fry in butter, after which it may be served with cream. If you don't like milk or cream dip the Biscuit quickly in hot sait water and place a chunk of butter on it, allowing the butter to melt into the shreds.

The Biscuit is also delicious when split and heated in oven and eaten with butter or melted choose the same as any toast.

Shredded Wheat Biscuit is also delicious and nourishing for any meal when served in combination with berries, peaches, bananas, baked apples and other fresh or preserved fruits. Heat the Biscuit in oven, then cover with the fruit prepared as for ordinary, serving and serve with cream and sugar to suit the taste.

THE ONLY BREAKFAST FOOD MADE IN BISCUIT FORM

The Shredded Wheat Company

NIAGARA FALLS, N. Y.

### d Wheat

the Biscuit in the oven to an pour hot or cold milk a cream. Sait or sweeten

in milk, drain and try in it may be served with like milk or cream dig the ot sait water and place a it, allowing the patter to

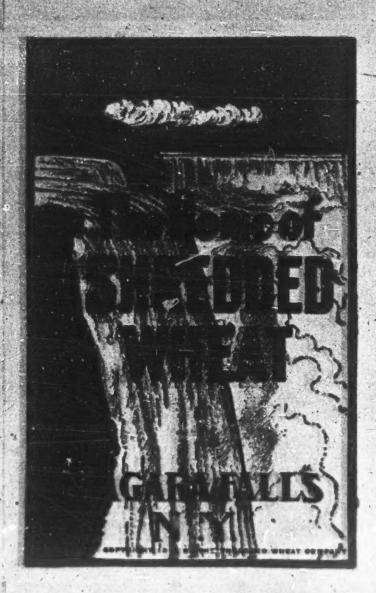
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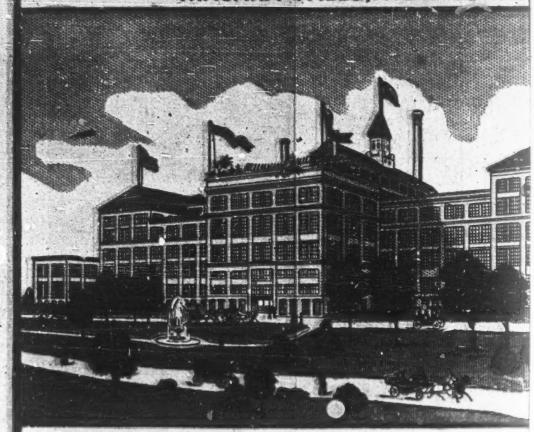
BISCUIT FORM

ompany



## WHOLE WHE

THE HOME OF SHREDDED

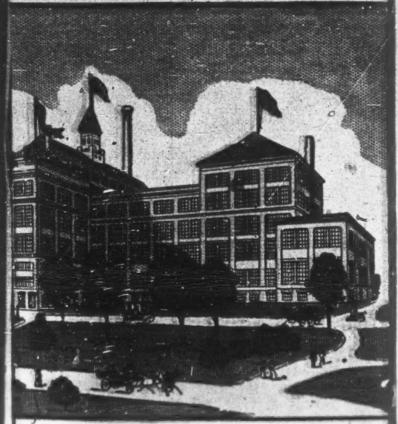


THE CLEANEST, FINEST, MOST HYGIENIC FOOD FACTORY

## EWHEAT

SHREDDED WHEAT

FALLS, NEW YORK



HYGIENIC FOOD FACTORY IN THE WORLD





Carton used by Petitioner from 1912 to 1919.



# 

Petitioner's carton of 1922.



# SHEDDED WHOLE WHOLE WHOLE WITH MALL SUGAR AND SALE

READY TO EAT

HELP YOURSELF TO HEALTH

W.K. Kellogg

KFLLOGG COMPANY OF CANADA, LTD.

LONDON, CANADA

(DISENDIM) NET WEIGHT 8 DUNCES

Petitioner's Canadian carton of 1922. A similar carton was also used in the United States. (R. vol. II, p. 1057.)



## Hallong's

## SHREDDED WHOLE WHEAT BISCUIT

HELP YOURSELF TO HEALTH



K.K. Kollogg



KELLOGG COMPANY BATTLE CREEK, MICH.

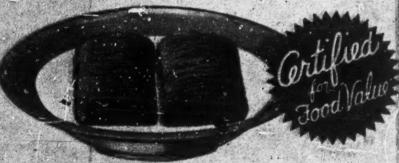
(CMSE NO.3390)

NET WEIGHT 12% OUNCES

Petitioner's carton of 1927.



## HOLEWHEAT BISCUIT



15 BISCUITS

12½ OUNCES

Petitioner's carton of 1930.





Petitioner's cellophane window carton of 1932.





THE ROSS FOOD CO...INC

Ross' carton of 1915.



## Quaker MUFFETS WHOLE WHEAT

WHOLE WHEAT BISCUITS



ENRICHED WITH SUNSHINE VITAMIN
THE
QUAKER OATS COMPANY

The "Muffets" carton of the Quaker Oats Company,



28. BISCUITS

## PPPLED

Breakfast Food

DOX WHOLE WHEAT READY TO EAT

